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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, January 14, 1992
1:30 P.M.

Present:	William Breall, M.D.	President
	Peter D. Ashe	Vice-President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Mason Wong	Commissioner
Absent:	Doris Ward	Supervisor

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Clare Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, December 10, 1991

ACTION: Approved as Submitted.

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RETIREMENT BOARD

REGULAR MEETING

NOTE: The Board took the calendar out of normal order and discussed Item No. 1 of the Regular Calendar.

REGULAR CALENDAR

1. REQUEST BY TEACHERS FOR REINSTATEMENT FROM RETIREMENT.

Maria Newport, Administrator, Retirement Services; and Clare Murphy, General Manager, presented a written and oral report to the Board on the request by teachers for reinstatement from retirement. The following also presented testimony: Joan Marie Shelley of the United Educators of San Francisco; the six teachers, namely, Peter Dahl, Jean Devich, Frank Lillef, John Pereira, Arthur Peterson and Lydia Stoopenkoff; and Stuart Weinberg, Attorney, UESF Local Chapter. Dan Maguire, Deputy City Attorney, was also present during the discussion.

The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: 1. It was moved by Driscoll, seconded by Ashe to allow Mr. Peter Dahl to rescind his retirement; motion postponed to a special Retirement Board meeting to be held on Thursday, January 23, 1992 at 9:00 a.m. when the whole question will be reviewed for action.

2. The Board then tabled further action until a date when all Board members will be available to vote on this matter and to allow Commissioner Gibson to review the transcript of the proceedings on this item.

Notes: 1. Commissioner Walker arrived during the discussion of Item Number 1.

2. Commissioner Gibson had to absent herself from a part of the above discussion.

The Board resumed with the discussion of the Consent Calendar.

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CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM:

1. VOLUNTARY RETIREMENT BOARD LIST NOS. 12-91 AND 13-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Mario Fredann $ 5,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Richard J. Hoss $140/wk life + $5K Atty Fee

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Donald R. Jones (Deceased) $ 8,250.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Robert Jordan $ 2,500.00

e. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Aurora Macdula $38,000.00

f. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

David McKenzie $86,000.00

g. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Mary Robertson $ 5,875.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Steve Brown $12,500.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Kingman Chan $15,000.00

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Richard Frost $ 3,554.66

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

David Furgassa $ 7,800.00

e. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Francis Hogue $ 3,231.98

f. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Vincent J. Justin $ 6,500.00

g. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Kevin Martin $ 3,577.92

h. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Ronald Urrutia $ 202.25

i. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Eugene M. Yoshii $ 1,381.05

4. HEARING DECISIONS:

a. Michael David Crockett
9210 Airport Police Officer - Airport
PERS
Effective Date: Expiration of Section 4850 and Sick Leave Benefits — Granted

b. Willie K. Cross
9163 Transit Operator - MUNI
Ordinary Disability Retirement — Denied

c. Frank J. Dunphy
H-40 Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: November 23, 1991 — Granted

d. David M. Hull
Supervisor - Probation Department
PERS
Effective Date: Expiration of Section 4850 and Sick Leave Benefits — Granted

e. Anthony P. Lopes
3616 Library Technical Assistant - Public Library
Ordinary Disability Retirement
Effective Date: October 11, 1991 — Granted

f. Beth Pedrodalasol
Q-2 Police Officer - Police Department
Determination
Effective Date: August 19, 1991 through November 27, 1991
Condition: Mental and Emotional — Granted

g. Arnaldo G. Usman
5362 Civil Engineering Aide II - Public Works
Ordinary Disability Retirement
Effective Date: November 30, 1991 — Granted

h. Michael Zurcher
Q-2 Police Officer - Police Department
Industrial Disability Retirement — Denied

5. PETITIONS FOR REHEARING:

a. Ronald E. Gardner
H-4 Inspector - Fire Department
Industrial Disability Retirement/Stipulation — Denied

b. John H. Hirshfeld, Jr.
H-50 Assistant Chief - Fire Department
Industrial Disability Retirement/Stipulation — Denied

c. Edward M. Rodriguez
Q-2 Police Officer - Police Department
Industrial Disability Retirement — Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. William A. Bettencourt

b. Raymond J. Donnelly

c. Michael C. Groom

d. Tracy McCray

e. Richard M. Pasaoa

7. APPLICATIONS FOR BIRTHDATE CORRECTION:

a. Olga Biasotti

b. James Burke

c. Joan W. Jones

d. Albert Lam

e. Monico S. Mateo

f. Rita S. Paningbatan

g. Willie Randle Quarels

h. Orange Richardson

i. Sylvia Rosales

j. Anthony Stellini

k. Robert Swanstrom

l. Rupert M. Tagnipis

m. Marina T. Tan

n. George Evan Weeth

o. Jorge Werbin

p. James M. Wong

q. Rosalind Lau Shu Young

ACTION:

1. It was moved by Ashe, seconded by Gibson to remove Item 4.a. from the vote to allow Commissioner Gibson to recuse herself on this item due to a potential conflict; motion passed, 6-0.

2. It was moved by Ashe, seconded by Gibson to adopt the Consent Calendar except for Item 4.a.; motion passed, 6-0.

3. It was moved by Ashe, seconded by Wong to adopt Item 4.a. of the Consent Calendar; motion passed, 5-0. (Gibson recused)

NOTE: The Board resumed discussion of the Regular Calendar.

2. REQUEST FOR RECONSIDERATION OF PART-TIME PRIOR SERVICE CREDIT - JOSEFINA PARNELL, R.N.

Maria Newport, Administrator, Retirement Services; and Clare Murphy, General Manager, presented a written and oral request to the Board to reconsider part-time prior service credit of Josefina Parnell, R.N. The Board reviewed and discussed the request.

ACTION: It was moved by Ashe, seconded by Walker to approve the request for Josefina Parnell, R.N. to purchase part-time prior service credit; motion passed, 6-0.

3. REQUEST FOR SUPPLEMENTAL APPROPRIATION FOR WORKERS' COMPENSATION PROGRAM.

Rudy Hernandez, Deputy General Manager, and Brian Narlock, Claims Manager, presented a written and oral request to the Board to approve the supplemental appropriation for Workers' Compensation Program. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: It was moved by Walker, seconded by Ashe to approve the request for Supplemental Appropriation for the Workers' Compensation Program; motion passed, 6-0.

4. REQUEST TO APPROVE THE RETIREMENT SYSTEM BUDGET FOR FISCAL YEAR 1992-1993.

Rudy Hernandez, Deputy General Manager, presented a written and oral request to the Board to approve the Retirement System budget for Fiscal Year 1992-1993. Mr. Hernandez distributed copies of the budget instructions issued by Mayor Frank Jordan dated January 9, 1992 and a memorandum to the Retirement Board reducing Workers' Compensation budget by 10% in accordance with the new budget instructions.

The Board reviewed and discussed the budget request and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Driscoll to approve the request to approve the Retirement System budget for fiscal year 1992-1993 with the 10% reduction in the Workers' Compensation budget noted in Rudy Hernandez' memorandum of January 14, 1992; motion passed, 6-0.

NOTE: The Board took the calendar out of normal order and proceeded to discuss Item No. 1 of the Investment Calendar.

INVESTMENT CALENDAR

1. ALTERNATIVE INVESTMENT PRESENTATION.

   Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates, presented a written and oral recommendation to the Board regarding investment on Summit Ventures III. The Board reviewed and discussed the report and engaged in a question and answer session with staff and the consultant.

   ACTION: It was moved by Driscoll, seconded by Gibson to accept staff's recommendation to commit $15 million for investment on Summit Ventures III, L.P.; motion passed, 6-0.

NOTE: The Board resumed discussion of the Regular Calendar.

REGULAR CALENDAR

5. SEMI-ANNUAL TRAVEL EXPENSE REPORT.

   Pam Levesque, Executive Assistant, presented a written and oral report to the Board on the Retirement System's travel expenses for the period July to December 1991.

   ACTION: No action was taken. This was an informational item only.

NOTE: Commissioner Ashe had to absent himself from the meeting at this time.

6. REQUEST TO DISMISS ORDINARY DISABILITY RETIREMENT WITH STIPULATION APPLICATION - SAMMY CASH.

   Pam Levesque, Executive Assistant, presented a written and oral request to the Board to dismiss the Ordinary Disability Retirement with Stipulation application of Sammy Cash. The Board reviewed and discussed the request.

   ACTION: It was moved by Walker, seconded by Gibson to approve the request to dismiss the Ordinary Disability Retirement with Stipulation Application of Sammy Cash; motion passed, 5-0. (Ashe Absent)

7. REQUEST TO DISMISS REINSTATEMENT APPLICATION - THOMAS NESBY.

   Pam Levesque, Executive Assistant, presented a written and oral request to the Board to dismiss the Reinstatement Application of Thomas Nesby. The Board reviewed and discussed the request.

   ACTION: It was moved by Walker, seconded by Driscoll to approve the request to dismiss the Reinstatement Application of Thomas Nesby; motion passed, 5-0. (Ashe Absent)

8. REQUEST AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE CALLAN INVESTMENTS INSTITUTE'S TWELFTH ANNUAL NATIONAL CONFERENCE TO BE HELD ON JANUARY 28-30, 1992 IN SAN FRANCISCO.

Clare Murphy, General Manager, presented a written and oral request to authorize Board members and staff to attend the Callan Investments Institute's Twelfth Annual National Conference to be held on January 28-30, 1992 in San Francisco. The Board reviewed and discussed the request.

ACTION: It was moved by Gibson, seconded by Walker to approve the request for Board members and staff to attend the Callan Investments Institute's Twelfth Annual National Conference to be held on January 28-30, 1992 in San Francisco; motion passed, 5-0. (Ashe Absent)

NOTE: The Board then resumed discussion of the Investment Calendar.

INVESTMENT CALENDAR

2. CHIEF INVESTMENT OFFICER'S REPORT.

a. No proxy votes were presented at this time.

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings the Investment Division staff had conducted during the month of December 1991.

c. Mr. Shaffer discussed current activities in the stock market.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Walker to hear the Supplemental Calendar; motion passed, 5-0. (Ashe Absent)

ITEM:

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Van H. Furlough $ 6,500.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Saeed Muhammad $17,000.00

2. HEARING DECISIONS:

a. Emmanuel Canotal
9163 Transit Operator - Muni Railway
Ordinary Disability Retirement
Effective Date: February 2, 1991 Granted

b. George M. Delfino
H-4 Inspector - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: January 8, 1991 Granted

c. James V. Ross
1224 Principal Payroll Clerk - Muni Railway
Reinstatement
Effective Date: To be determined by the Department Granted

d. Charles W. Zerbe
H-50 Assistant Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: October 6, 1991 Granted

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. General A. James, Jr.

ACTION: It was moved by Driscoll, seconded by Walker to adopt the Supplemental Calendar; motion passed, 5-0. (Ashe Absent)

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy further elaborated on Mayor Jordan's budget instructions and what the effect will be on the Retirement System.

2. Ms. Murphy distributed to the Board samples of the Early Retirement Program packet that was sent to eligible employees.

3. Ms. Murphy discussed the status of the Early Retirement project. She reported that the Retirement staff is working at very high level.

4. Ms. Murphy discussed the $1.8 million Request for Supplemental Appropriation for the Early Retirement Program. The supplemental appropriation request has not been heard by the Board of Supervisors. Ms. Murphy requested the Retirement Board's support by attending the Finance Committee meeting which will be held on Wednesday, January 15, 1992.

NOTE: Commissioner Ashe returned to the meeting during the discussion of the General Manager's Report.

BOARD MEMBERS

Commissioner Peter Ashe requested that the meeting be adjourned in memory of Raymond Clary.

There being no further business the Board adjourned its meeting in memory of Raymond Clary at 6:00 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewell Michelson, Adams Reporting Services.

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SPECIAL

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

SPECIAL MEETING

THURSDAY, January 23, 1992

9:00 A.M.

Present:	William Breall, M.D.	President
	Peter D. Ashe	Vice-President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Mason Wong	Commissioner
Absent:	Doris Ward	Supervisor

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Clare Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Sections 54956.9, et. seq., the Retirement Board met in closed session to discuss a potential litigation matter. The Board returned to Open Session and announced no action was taken during the Closed Session.

REGULAR CALENDAR

1. REQUEST BY TEACHERS FOR REINSTATEMENT FROM RETIREMENT.

Clare M. Murphy, General Manager, presented a written and oral report to the Board on the request by teachers for reinstatement from Retirement. Joan Marie Shelley of the United Educators of San Francisco and the six teachers; namely, Peter Dahl, Jean Devich, Frank Lillef, John Pereira, Arthur Peterson and Lydia Stoopenkoff were present. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: 1. It was moved by Driscoll, seconded by Ashe, to enter into negotiations with Mr. Peter Dahl to set aside Mr. Dahl's retirement and be allowed to retire under Proposition A; motion failed, 3-3. (Gibson, Wong, Breall).

2. It was moved by Driscoll, seconded by Ashe, to enter into negotiations with Ms. Jean Devich to set aside Ms. Devich's retirement and be allowed to retire under Proposition A; motion failed, 3-3. (Gibson, Wong, Breall).

3. It was moved by Driscoll, seconded by Ashe, to enter into negotiations with Mr. John Pereira to set aside Mr. Pereira's retirement and be allowed to retire under Proposition A; motion failed, 3-3. (Gibson, Wong, Breall).

4. It was moved by Driscoll, seconded by Ashe, to enter into negotiations with Mr. Arthur Peterson to set aside Mr. Peterson's retirement and be allowed to retire under Proposition A; motion failed, 3-3. (Gibson, Wong, Breall).

5. It was moved by Driscoll, seconded by Ashe, to enter into negotiations with Ms. Lydia Stoopenkoff to set aside Ms. Stoopenkoff's retirement and be allowed to retire under Proposition A; motion failed, 3-3. (Gibson, Wong, Breall).

6. It was moved by Gibson, seconded by Wong to deny Mr. Frank Lillef's petition to rescind his retirement; motion passed, 5-1. (Ashe)

Dan Maguire, Deputy City Attorney, discussed the Retirement Board Rule No.8 on Rehearings. He informed the Board members and the teachers of the 30-day rule on rehearings before the Board.

There being no further business the Board adjourned its meeting at 10:40 a.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewell Michelson, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, January 28, 1992
1:30 P.M.

Present:	William Breall, M.D.	President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Mason Wong	Commissioner
Absent:	Peter D. Ashe	Vice-President
	Doris Ward	Supervisor

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Clare Murphy — General Manager
Retirement System

MINUTES: Minutes of Regular Meeting, January 14, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 14-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Maurice M. Custodio	$24,605.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Robert Carpeneto	$ 442.71

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Rhonda Hutchings	$10,500.00

4. HEARING DECISIONS:

a. Roger Hugo
Q-2 Police Officer - Police Department
Industrial Disability Application/Stipulation — Denied

b. Alban Weatherman (Deceased)
0380 Police Inspector - Police Department
Continuation — Denied

5. PETITION FOR REHEARING:

Shia Chan
2708 Custodian - Recreation & Parks
Ordinary Disability Retirement — Denied

6. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

James Hooker

7. APPLICATION FOR BIRTHDATE CORRECTION:

   a. Silvia A. Salcido

ACTION: It was moved by Gibson, seconded by Driscoll to adopt the Consent Calendar; motion passed, 4-0.

REGULAR CALENDAR

1. SEMI-ANNUAL REVIEW OF REVIEWCO PERFORMANCE.

   Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board on the semi-annual performance review of Reviewco for the period July 1, 1991 through December 31, 1991. The Board reviewed and discussed the report.

   ACTION: No action was taken. This was an informational item only.

NOTE: Commissioner Walker arrived at the beginning of the discussion of Regular Calendar Item 1.

2. REQUEST FOR SUPPLEMENTAL APPROPRIATION FOR WORKERS' COMPENSATION BENEFITS.

   Rudy Hernandez, Deputy General Manager, presented a written and oral request to the Board to approve the supplemental appropriation to fund Workers' Compensation Benefits for Miscellaneous General Fund departments. The Board reviewed and discussed the request.

   ACTION: It was moved by Gibson, seconded by Walker to approve the supplemental appropriation to fund Workers' Compensation benefits for Miscellaneous General Fund departments; motion passed, 5-0.

3. REQUEST AUTHORIZATION FOR STAFF TO CONSULT WITH MERIT ENERGY COMPANY AND RREEF ON FEBRUARY 26-27, 1992 IN DALLAS, TEXAS.

   Clare Murphy, General Manager, presented a written and oral request to the Board to authorize staff to consult with Merit Energy Company and RREEF on February 26-27, 1992 in Dallas, Texas. The Board reviewed and discussed the request.

   ACTION: It was moved by Gibson, seconded by Walker to approve the request to authorize staff to consult with Merit Energy Company and RREEF on February 26-27, 1992 in Dallas, Texas; motion passed, 5-0.

4. REQUEST AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND BRINSON PARTNERS' GLOBAL PORTFOLIO MANAGEMENT SEMINAR TO BE HELD ON MARCH 4 THROUGH MARCH 7, 1992 IN PHOENIX, ARIZONA.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Board members and staff to attend Brinson Partners' Global Portfolio Management Seminar to be held on March 4 through March 7, 1992 in Phoenix, Arizona. The Board reviewed and discussed the request.

ACTION: It was moved by Gibson, seconded by Driscoll to approve the request to authorize Board members and staff to attend Brinson Partners' Global Portfolio Management Seminar to be held on March 4 through March 7, 1992 in Phoenix, Arizona; motion passed, 5-0.

5. REQUEST AUTHORIZATION FOR STAFF TO ATTEND THE AIMR 1992 ANNUAL CONFERENCE TO BE HELD ON MAY 3 THROUGH MAY 6, 1992 IN SAN ANTONIO, TEXAS.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize staff to attend the AIMR 1992 Annual Conference to be held on May 3 through May 6, 1992 in San Antonio, Texas. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: It was moved by Walker, seconded by Gibson to approve the request to authorize staff to attend the AIMR 1992 Annual Conference to be held on May 3 through May 6, 1992 in San Antonio, Texas; motion passed, 5-0.

6. REQUEST AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE INSTITUTE FOR FIDUCIARY EDUCATION'S MARKET MAKERS 1992 SEMINAR TO BE HELD ON JUNE 22 THROUGH JUNE 24, 1992 IN CARMEL, CALIFORNIA.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Board members and staff to attend the Institute for Fiduciary Education's Market Makers 1992 Seminar to be held on June 22 through June 24, 1992 in Carmel, California. The Board reviewed and discussed the request.

ACTION: It was moved by Walker, seconded by Gibson to approve the request to authorize Board members and staff to attend the Institute for Fiduciary Education's Market Makers 1992 Seminar to be held on June 22 through June 24, 1992 in Carmel, California; motion passed, 5-0.

INVESTMENT CALENDAR

1. MULTI-COMPANY PROXY ISSUES REPORT.

   Mark Coleman, Security Analyst, presented a written and oral report to the Board on multi-company proxy social issues report. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

   ACTION: 1. It was moved by Driscoll, seconded by Walker to withdraw Item 2.A.2. from the recommended list of proxy issues to be voted by staff and to bring all issues on South Africa expansion to the Retirement Board; motion passed, 5-0.

   2. It was moved by Gibson, seconded by Walker to accept staff's recommendations except for Item 2.A.2; motion passed, 5-0.

2. CHIEF INVESTMENT OFFICER'S REPORT.

   a. Proxy Votes:

      No proxy votes were presented at this time.

   b. Mr. Shaffer reported that investment in Summit Ventures III has been approved at $10 million. The drawdown will begin sometime in mid-1992.

   c. Mr. Shaffer discussed the current economic market conditions with the Board.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the status of the Early Retirement Project as follows:

   a. Ms. Murphy reported that the Board of Supervisors passed the Supplemental Appropriation for the implementation of the Early Retirement Project.

b. Ms. Murphy reported that they are half-way through with Early Retirement group meetings. Over 3,100 have signed up and/or attended the group meetings. She said the Retirement staff are getting excellent feedback about the presentations from those who attended. The formats and materials used for the presentation were very much appreciated.

c. The individual retirement interviews began last Tuesday, January 28, 1992 with 100 individuals interviewed. 1,850 eligibles signed up for individual interview. Over 70% are still completing the documents and signing up for early retirement program.

d. The people performing interviews have been rated excellently.

2. Ms. Murphy discussed the Board of Supervisors meeting held on Monday, January 27, 1992.

3. Ms. Murphy informed the Board that she will be sending to the members of the press copies of the early retirement information packets that were sent to eligible employees.

4. President Breall discussed and commended Ms. Murphy for her skill and diligence in dealing with the Board of Supervisors and its Finance Committee in getting the supplemental appropriation for the Early Retirement Project approved. The Board thanked Ms. Murphy for a job well done.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Walker, seconded by Gibson to hear the Supplemental Calendar; motion passed, 5-0.

ITEM:

1. REQUEST TO RECONSIDER PART-TIME PRIOR SERVICE - SYLVIA YIM.

ACTION: It was moved by Gibson, seconded by Walker to approve the request for Sylvia Yim and allow her to purchase her part-time prior service credit; motion passed 5-0.

2. REQUEST FOR SUPPLEMENTAL APPROPRIATION - WORKERS COMPENSATION BENEFITS:

ACTION: It was moved by Gibson, seconded by Wong to approve the request for supplemental appropriation for Workers'Compensation Benefits; motion passed, 5-0.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Mohammed Isaq	$ 6,000.00

4. HEARING DECISIONS:

a. Kenneth Barton
Q-50 Sergeant - Police Department
Death as a Result of Duty — Denied

b. Edward E. Murphy
H-50 Assistant Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: July 22, 1991 — Granted

c. Milton J. Panagotacos
H2 Firefighter - Fire Department
Industrial Disability Retirement
Effective Date: February 29, 1992 — Granted

d. Kirti Patel
9163 Transit Operator - Muni Railway
Ordinary Disability Retirement
Effective Date: March 4, 1989 — Granted

5. APPLICATIONS FOR BIRTHDATE CORRECTION:

a. Mary Louise Cooper

b. Gladys Hernandez

c. Bing K. Hom

ACTION: It was moved by Gibson, seconded by Walker to adopt the Supplemental Calendar; motion passed, 5-0

There being no further business the Board adjourned its meeting at 3:16 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Anthony Balog, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, February 11, 1992
1:30 P.M.

Present:	William Breall, M.D.	President
	Peter D. Ashe	Vice-President
	Bonnie K. Gibson	Commissioner
	Samuel W. Walker	Commissioner
	Mason Wong	Commissioner
	Doris Ward	Supervisor
Absent:	Joseph D. Driscoll	Commissioner
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Special Meeting, January 23, 1992 and
Minutes of Regular Meeting, January 28, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

REGULAR CALENDAR

The Board took the calendar out of normal sequence and discussed Item No. 4 of the Regular Calendar first.

4. PETITION FOR REHEARING FROM THE SEVEN TEACHERS REQUESTING REINSTATEMENT FROM RETIREMENT.

   The teachers requested this matter be put over until all Board members could be present.

   ACTION: It was moved by Ashe, seconded by Gibson to postpone discussion of this item to a future date when a majority of the Board is present; motion passed, 4-0.

The Board resumed with the discussion of the Consent Calendar. Commissioner Walker arrived at this time.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 15-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Jennifer L. Freitas $6,967.02

   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Marva Lowery $1,348.18

   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Gary Olson $3,500.00

   d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Christopher Spencer $6,027.52

3. HEARING DECISIONS:

a. Frank T. Blackburn
H-50 Assistant Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: August 17, 1991 — Granted

b. Alvin Davenport
9163 Transit Operator - Muni Railway
Ordinary Disability Retirement
Effective Date: October 26, 1991 — Granted

c. Stephen O'Neill
H2 Firefighter - Fire Department
Industrial Disability Retirement
Effective Date: January 3, 1992 — Granted

d. Vince A. Profaca
Q-2 Police Officer - Police Department
Industrial Disability Retirement
Effective Date: November 23, 1991 — Granted

4. PETITIONS FOR REHEARING:

a. James J. Crabtree
H-2 Firefighter - Fire Department
Industrial Disability Retirement — Denied

b. Michael Zurcher
Q-2 Police Officer - Police Department
Industrial Disability Retirement — Denied

5. APPLICATION FOR BIRTHDATE CORRECTION:

a. Salvador A. Cristales

ACTION: It was moved by Gibson, seconded by Ashe to adopt the Consent Calendar; motion passed, 5-0.

The Board resumed with the discussion of Regular Calendar Item No. 5.

5. REQUEST FOR PART-TIME PRIOR SERVICE CREDIT - GEORGE MEYER.

Clare Murphy, General Manager, presented a written and oral request to the Board to reconsider part-time prior service of George Meyer. The Board reviewed and discussed the request.

ACTION: It was moved by Ashe, seconded by Gibson to adopt staff's recommendation to allow Dr. George Meyer to purchase his part-time prior service; motion passed, 5-0.

6. REQUEST FOR DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT - JAMES K. SIMONS.

Pam Levesque, Executive Assistant, presented a written and oral request to the Board to dismiss the Application for Industrial Disability Retirement of James K. Simons.

ACTION: It was moved by Gibson, seconded by Ashe to accept staff's recommendation to dismiss the Application for Industrial Disability Retirement of James K. Simons; motion passed, 5-0.

7. REQUEST FOR DISMISSAL OF APPLICATION FOR INDUSTRIAL DISABILITY RETIREMENT WITH STIPULATION - FRANK L. MACILLUS.

Pam Levesque, Executive Assistant, presented a written and oral request to the Board to dismiss the Application for Industrial Disability Retirement with Stipulation of Frank L. Macillus.

ACTION: This item was taken off calendar at the request of applicant's Attorney George Engler.

8. REQUEST AUTHORIZATION FOR TWO STAFF MEMBERS TO ATTEND THE NEW YORK UNIVERSITY REAL ESTATE INSTITUTE'S THIRD ANNUAL REAL ESTATE CONFERENCE TO BE HELD ON MAY 18 TO MAY 19, 1992 IN NEW YORK.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize staff members to attend the New York University Real Estate Institute's Third Annual Real Estate Conference to be held on May 18 to May 19, 1992 in New York. The Board reviewed and discussed the request.

ACTION: It was moved by Ashe, seconded by Gibson to approve the request to authorize staff members to attend the New York University Real Estate Institute's Third Annual Real Estate Conference to be held on May 18 to May 19, 1992 in New York; motion passed, 5-0.

9. REQUEST AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE NCPERS 51ST ANNUAL CONFERENCE TO BE HELD ON APRIL 5 TO APRIL 9, 1992 IN BALTIMORE, MARYLAND

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Board members and staff to attend the NCPERS 51st Annual Conference to be held on April 5 to April 9, 1992 in Baltimore, Maryland. The Board reviewed and discussed the report.

ACTION: It was moved by Ashe, seconded by Gibson to approve the request to authorize Board members and staff to attend the NCPERS 51st Annual Conference to be held on April 5 to April 9, 1992 in Baltimore, Maryland; motion passed, 6-0.

Note: Supervisor Doris Ward arrived during the discussion of Item 9.

The Board resumed normal order with the discussion of Regular Calendar Item 1.

1. PRESENTATION OF ACTUARIAL VALUATION.

Kieran Murphy, Actuary, and Mark Mactas and Valerie Stevens of TPF&C presented a written and oral report to the Board on the actuarial valuation. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to adopt the actuarial valuation report; motion passed, 6-0.

2. RECOMMENDATION OF CITY CONTRIBUTION RATES FOR FY 1992-93.

Kieran Murphy, Actuary, and Mark Mactas of TPF&C presented a written and oral recommendation to the Board on City contribution rates for Fiscal Year 1992-93. The Board reviewed and discussed the recommendation.

ACTION: It was moved by Ashe, seconded by Walker to adopt the recommended contribution rates for FY 1992-93 (see attached); motion passed, 6-0.

3. RECONSIDERATION OF CITY CONTRIBUTION RATES FOR FY 1991-92.

Kieran Murphy, Actuary, presented a written and oral report to the Board on the City contribution rates for FY 1991-92. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Walker to adopt the recommended change in contribution rates for the remainder of Fiscal Year 1991-92 (see attached); motion passed, 6-0.

1. REVIEW OF MACBRIDE PRINCIPLES.

   Mark Coleman, Security Analyst, presented a written and oral report to the Board on the review of MacBride Principles. The Board reviewed and discussed the report.

   ACTION: This item was tabled for discussion at a future Board meeting.

2. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1991.

   Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on the total portfolio performance for the period ended December 31, 1991. The Board reviewed and discussed the report.

   ACTION: No action was taken. This was an informational item only.

3. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1991.

   Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on the review of the domestic fixed income performance for the period ended December 31, 1991. The Board reviewed and discussed the report.

   ACTION: No action was taken. This was an informational item only.

4. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1991.

   Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on the review of the domestic equity income performance for the period ended December 31, 1991. The Board reviewed and discussed the report.

   ACTION: No action was taken. This was an informational item only.

5. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING APRIL 30, 1992.

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on the recommended asset allocation for the quarter ending April 30, 1992. The Board reviewed and discussed the report.

ACTION: It was moved by Ashe, seconded by Gibson to accept staff's recommendation on asset allocation for the quarter ending April 30, 1992; motion passed, 5-0.

Note: Supervisor Doris Ward was absent during this section of the meeting.

6. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes:

No proxy votes were presented.

b. Ken Shaffer, Chief Investment Officer, distributed the list of meetings conducted by Investment staff during the month of January, 1992.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Wong, seconded by Gibson to hear the Supplemental Calendar; motion passed, 5-0.

ITEM:

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Easteller Bruihl $ 6,500.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Duke Duccini $13,200.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Patricia A. Jackson	$13,125.80

3. HEARING DECISIONS:

a. Donald Brewer
Q-50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: July 2, 1989 — Granted

b. Kenneth M. Esposto
Q-35 - Assistant Inspector - Police Department
Determination — Denied

4. PETITION FOR REHEARING:

Victoria Walker
Q-2 - Police Officer - Police Dept.
Industrial Disability Retirement — Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. Dorothy D. Amara

b. Dorothea N. Farris

c. Franca de Paoli

d. Richard A. Thomas

e. Karen Wade

6. APPLICATION FOR BIRTHDATE CORRECTION:

Robert E. Lee

ACTION: It was moved by Gibson, seconded by Ashe to adopt the Supplemental Calendar; motion passed, 6-0.

Note: Supervisor Ward returned during the discussion of the Supplemental Calendar.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report:

1. Ms. Murphy discussed the results of the 1992 Retirement Board election. Herb Meiberger of the Retirement System was elected. He will be seated at the February 25, 1992 Board meeting.

2. Ms. Murphy discussed the progress of the Proposition A Early Retirement Project. She reported that the Retirement staff has completed the early retirement group meetings. 1,200 individual interviews have been scheduled to date. Staff is conducting on average, 85 interviews per day. 800 eligibles have indicated they wish to retire. 310 have signed the declination to participate in the early retirement program.

   Ms. Murphy further stated that we are receiving excellent response to the group meetings and the individual interviews.

3. Ms. Murphy distributed a report from the Controller, Ed Harrington, regarding the 1991-92 budget status. She also distributed copies of the joint report from the Controller, Mayor's Director of Finance and Board of Supervisors Budget Analyst on the current Fiscal Year 1991-92 General Fund Budget. The report calls for a 10% budget cut in general fund departments. Ms. Murphy discussed the current and future fiscal crisis.

BOARD MEMBERS

President William Breall and Commissioner Peter Ashe commended Commissioner Samuel Walker for his service to the Retirement System. Commissioner Walker's term expires on February 19th. Commissioner Walker congratulated the newly-elect Board member, Herb Meiberger. Commissioner Gibson also commended Sam Walker and wished him the best for his future endeavors. Commissioner Gibson requested the Board to adjourn the meeting in thanks and appreciation of Samuel Walker's service to the Retirement Board.

Commissioner Ashe requested that the meeting be adjourned in memory of Judge William Mallen.

There being no further business the Board adjourned its meeting at 5:30 p.m. in appreciation of Commissioner Samuel Walker and in memory of Judge William Mallen.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewell Michelson, Adams Reporting Services.

ATTACHMENT

ADOPTED CITY CONTRIBUTION RATES AS A PERCENTAGE OF PAYROLL

PLAN	1991	1992
Police	55.00%	55.00%
Fire	70.00	70.00
Miscellaneous	13.00	13.00

SF
R55
#3
2/25/92

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.
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SAN FRANCISCO
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TUESDAY, February 25, 1992
1:30 P.M.

Present:	Peter D. Ashe	Vice-President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Mason Wong	Commissioner
Absent:	William Breall, M.D.	President
	Doris Ward	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, February 11, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

NOTE: Commissioner Peter Ashe chaired the meeting in the absence of Commissioner William Breall, President of the Retirement Board.

SPECIAL ORDER

Commissioner Ashe recognized and welcomed Herb Meiberger, newly-elected Retirement Board Commissioner.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 16-91.

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Lucille McGee	$2,226.38

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Thomas P. Donohoe

   b. Roberto J. Lucha

   c. Clyde L. Woods

4. APPLICATIONS FOR BIRTHDATE CORRECTION:

   a. Howard Choy

   b. Kishor P. Shah

ACTION: It was moved by Gibson, seconded by Driscoll to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

1. REVIEW OF THE STATEMENT OF ECONOMIC INTERESTS - FORM 721.

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on the 1991-92 Statement of Economic Interests (Form 721). The Board reviewed and discussed the Form 721 and the filing requirements with the Deputy City Attorney.

ACTION: No action was taken. This was an informational item only.

2. REQUEST FOR RECONSIDERATION OF PART-TIME PRIOR SERVICE CREDIT:

FLORENCE E. TREAT

Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board on Florence Treat's request for reconsideration of part-time prior service credit.

ACTION: It was moved by Gibson, seconded by Driscoll to allow Florence Treat to purchase her prior part-time service credit; motion passed, 5-0.

3. REQUEST AUTHORIZATION FOR BOARD MEMBER, PETER ASHE, TO ATTEND PRUDENTIAL REALTY GROUP'S 1992 PINEHURST REAL ESTATE SEMINAR TO BE HELD ON MAY 16 THROUGH MAY 19, 1992 IN PINEHURST, NORTH CAROLINA.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Peter Ashe to attend Prudential Realty Group's 1992 Pinehurst Real Estate Seminar. The Board reviewed and discussed the request.

ACTION: It was moved by Gibson, seconded by Driscoll to approve the request to authorize Board member, Peter Ashe to attend Prudential Realty Group's 1992 Pinehurst Real Estate Seminar to be held on May 16 through May 19, 1992 in Pinehurst, North Carolina; motion passed, 5-0.

4. REQUEST AUTHORIZATION FOR BOARD MEMBER, PETER ASHE, TO ATTEND THE INTERNATIONAL BUSINESS FORUM'S THIRD ANNUAL INVESTMENT MANAGEMENT CONFERENCE TO BE HELD ON JUNE 15 THROUGH JUNE 16, 1992 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Board member, Peter Ashe to attend the International Business Forum's Third Annual Investment Management Conference. The Board reviewed and discussed the request.

ACTION: It was moved by Gibson, seconded by Driscoll to approve the request to authorize Board member, Peter Ashe to attend International Business Forum's Third Annual Investment Management Conference to be held on June 15 through June 16, 1992 in Washington, D.C.; motion passed, 5-0.

5. REQUEST AUTHORIZATION FOR BOARD MEMBER, PETER ASHE, TO ATTEND THE INSTITUTE FOR INTERNATIONAL RESEARCH 4TH ANNUAL PERFORMANCE MEASUREMENT CONFERENCE TO BE HELD ON JUNE 24 THROUGH JUNE 25, 1992 IN NEW YORK.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Board member, Peter Ashe to attend the Institute for International Research 4th Annual Performance Measurement Conference. The Board reviewed and discussed the request.

ACTION: It was moved by Wong, seconded by Driscoll to approve the request to authorize Board member, Peter Ashe to attend the Institute for International Research 4th Annual Performance Measurement Conference to be held on June 24 through June 25, 1992 in New York; motion passed, 5-0.

INVESTMENT CALENDAR

1. QUARTERLY INVESTMENT PERFORMANCE REPORT BY CALLAN ASSOCIATES.

Barry Dennis, a representative of Callan Associates, presented a written and oral report on the investment performance for the quarter ending December 31, 1991. The Board reviewed and discussed the report.

ACTION: No action was taken. This was an informational item only.

2. EXTERNAL MANAGER PRESENTATIONS:

- o MacKay Shields
- o Axe Core
- o Nicholas-Applegate

Representatives from the above firms presented written and oral reports to the Board on their performance for the period ending December 31, 1991. They also discussed the economy as well as future market trends. The Board reviewed and discussed the reports and engaged in question and answer sessions with the investment managers.

ACTION: No action was taken. This was an informational item only.

3. REVIEW OF MACBRIDE PRINCIPLES.

Mark Coleman, Security Analyst, presented a written and oral report to the Board on the review of MacBride Principles. There were some members of the public who were present and made testimony.

ACTION: It was moved by Driscoll, seconded by Wong to approve staff's recommendation to support the MacBride Principles; motion passed, 5-0.

4. MULTI-COMPANY PROXY ISSUES REPORT - CORPORATE GOVERNANCE.

Mark Coleman, Security Analyst, presented a written and oral report to the Board on the multi-company corporate governance proxy issues. The Board reviewed and discussed the report.

ACTION: It was moved by Driscoll, seconded by Gibson to adopt staff's recommendation on the proxy issues for corporate governance; motion passed, 5-0.

5. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes:

There were no proxy proposals presented at this time.

b. Ken Shaffer, Chief Investment Officer, made general comments on the total fund performance for the period ending December 31, 1991 and the presentations made today by the investment manager firms.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Gibson to hear the Supplemental Calendar; motion passed, 5-0.

ITEM:

1. REQUEST TO ADJUST RETIREMENT ALLOWANCE: EDWARD J. FITZPATRICK

   ACTION: The Board unanimously voted by ballot vote to adjust the retirement allowance of Edward J. Fitzpatrick from 50% to 52%.

2. a. REQUEST TO RECONSIDER PART-TIME PRIOR SERVICE: Lou Aronian

      ACTION: It was moved by Gibson, seconded by Meiberger to allow Lou Aronian to purchase his part-time prior service by accepting non-payroll evidence of service for the years 1953 and 1956 at the Law Library and any additional requests to purchase part-time prior service must be brought before the Retirement Board; motion passed, 5-0.

   b. REQUEST TO RECONSIDER PART-TIME PRIOR SERVICE: Wesley Day

   c. REQUEST TO RECONSIDER PART-TIME PRIOR SERVICE: Nancy Inferrera

   d. REQUEST TO RECONSIDER PART-TIME PRIOR SERVICE: Joe Mannon

   ACTION: It was moved by Driscoll, seconded by Gibson to approve Supplemental Calendar Items 2b, 2c and 2d; motion passed, 5-0.

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Vilma Prikylova $20,657.00

   ACTION: It was moved by Meiberger, seconded by Driscoll to approve Supplemental Calendar Item 3; motion passed 5-0.

4. HEARING DECISION:

a. William Connolly
H-4 Firefighter - Inspector
Industrial Disability Retirement
Effective Date: October 31, 1991 Granted

ACTION: It was moved by Gibson, seconded by Meiberger, to approve Supplemental Calendar Item 4a; motion passed, 5-0.

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. Jose Marin

b. John Minnick

6. APPLICATIONS FOR BIRTHDATE CORRECTION:

a. Eiko Fu

b. Esperanza Martinez

c. Jeweline J. Rooks

d. Luis Valdez

ACTION: It was moved by Driscoll, seconded by Gibson to adopt Supplemental Calendar Items 5 and 6; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the teachers' petition for rehearing and the scheduling of this item.

The Board decided to move the March 31st Retirement Board meeting to March 24th at which date the teachers' petition for rehearing will be scheduled.

2. Ms. Murphy reported on the status of the Prop A project as of February 23, 1992:

- 2247 eligibles scheduled individual interviews. 1988 interviews have already been conducted. 1188 individuals have elected a retirement date. 96 individuals retired on February 1, 1992. Approximately 1000 individuals are retiring in March 1992. Most of the eligibles are retiring during the last days of the early retirement window.

- 461 individuals declined to retire under the 3+3 program.

3. Ms. Murphy reported that the Budget Analyst is reviewing Prop A progress as part of the audit Supervisor Hsieh requested.

   The Board discussed the issue of exit interviews which the budget analyst requested.

4. Ms. Murphy reported the new Hartford rates for the General Account is 7.50% and will take effect for new moneys deposited in April 1992.

5. Ms. Murphy discussed the Retirement System budget.

   The Workers' Compensation portion of the budget was addressed with three recommended solutions to either increase staffing, to split the case load to 1/2 staff and 1/2 TPA or to contract out the entire program.

   Ms. Murphy also discussed the Mayor's Workers' Compensation Task Force which has recommended the second option. A meeting with the Mayor is scheduled on Friday, February 28, 1992. Also Supervisor Hsieh is conducting a hearing on Workers Compensation matters on March 3, 1992.

BOARD MEMBERS

Commissioner Herb Meiberger made remarks on his new role as Retirement Board Commissioner.

There being no further business the Board adjourned its meeting at 6:30 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewell Michelson, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

DOCUMENTS DEPT.
MAR 27 1992
SAN FRANCISCO

TUESDAY, March 10, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Doris Ward	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, February 25, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

SPECIAL ORDER

ELECTION OF OFFICERS: President and Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For President - It was moved by Driscoll, seconded by Meiberger to nominate Commissioner Peter Ashe for President; there were no other nominations; motion passed, 5-0. Commissioner Ashe was elected President for the next 12-month period.

For Vice President - It was moved by Breall, seconded by Meiberger to nominate Commissioner Mason Wong for Vice President; there were no other nominations; motion passed, 5-0. Commissioner Wong was elected Vice President for the next 12-month period.

President Ashe took a few minutes to convey his appreciation to Past President Breall.

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 17-91.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Joseph Roberts	$65,000.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Jenken Jay	$ 3,300.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Robert J. Porter	$ 1,480.17

4. HEARING DECISIONS:

a. Wesley E. Carter
H-2 Firefighter - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: November 30, 1991 — Granted

b. Johnnie F. Drennon
8440 Probation Officer - Adult Probation
Ordinary Disability Retirement
Effective Date: October 15, 1991 — Granted

c. John J. Grizzel
Q-2 Police Officer - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: May 11, 1991 — Granted

d. Richard K. Kibbe
9163 Transit Operator - MUNI Railway
Ordinary Disability Retirement
Effective Date: November 1, 1991 — Granted

e. Illya Kuryakin
2905 Sr. Eligibility Worker - Social Services
Ordinary Disability Application
Effective Date: December 1, 1991 — Granted

5. PETITION FOR REHEARING:

Guy A. Markell
H-4 Fire Inspector - Fire Department
Industrial Disability Retirement — Denied

6. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Ella Rae Jamerson

7. APPLICATIONS FOR BIRTHDATE CORRECTION:

a. Thomas Lawrence Brunner

b. Jasper Collier

c. Anne McCoy Cowan

d. Tommy G. Egger

e. Rosa M. Hammork

f. Jim W. White

g. Donald Allen Wolff

ACTION: It was moved by Meiberger, seconded by Driscoll to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

NOTE: Commissioner Gibson arrived during the discussion of Regular Calendar Item 1.

1. RESOLUTION ON SECTION 415 LIMIT METHODOLOGY.

Kieran Murphy, Actuary, presented a written and oral report to the Board on the Internal Revenue Code Section 415 limits methodology. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Driscoll to adopt staff's recommendation on Items 1, 2, and 3 of staff's report on the Section 415 limit methodology; motion passed, 6-0.

2. EARLY RETIREMENT POLICY ISSUES.

Maria Newport, Retirement, Administrator Services, presented a written and oral report regarding early retirement policies. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall, to adopt staff's recommendations on the Early Retirement Policy issues; motion passed, 6-0.

3. REQUESTS FOR RECONSIDERATION OF PART-TIME PRIOR SERVICE:

a. RICHARD HAMANN

b. EDWARD MCDONNELL

c. VIVIAN PON

Maria Newport, Retirement, Administrator Services, presented written and oral requests to the Board to allow Richard Hamann, Edward McDonnell and Vivian Pon to purchase their part-time prior service.

ACTION: It was moved by Gibson, seconded by Breall to adopt staff's recommendation to allow Richard Hamann, Edward McDonnell and Vivian Pon to purchase their part-time prior service; motion passed, 6-0.

4. REQUEST AUTHORIZATION FOR STAFF MEMBER TO ATTEND THE BARRA REGIONAL FIXED INCOME WORKSHOP TO BE HELD ON MARCH 19, 1992 IN BERKELEY, CA.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize a staff member to attend the BARRA Regional Fixed Income Workshop to be held on March 19, 1992 in Berkeley, California.

ACTION: It was moved by Meiberger, seconded by Gibson to approve the request to authorize a staff member to attend the BARRA Regional Fixed Income Workshop to be held on March 19, 1992 in Berkeley, California; motion passed, 6-0.

5. REQUEST AUTHORIZATION FOR BOARD MEMBER PETER ASHE TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS ANNUAL MEETING TO BE HELD ON APRIL 9-10, 1992 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Board member, Peter Ashe to attend the Council of Institutional Investors Annual Meeting to be held on April 9-10, 1992 in Washington, D.C. The Board reviewed and discussed the request.

ACTION: It was moved by Gibson, seconded by Breall to approve the request to authorize Board member, Peter Ashe to attend the Council of Institutional Investors Annual Meeting to be held on April 9-10, 1992 in Washington, D.C.; motion passed, 6-0.

6. REQUEST AUTHORIZATION FOR STAFF MEMBERS TO TRAVEL TO DALLAS, TEXAS ON MAY 4 THROUGH MAY 8, 1992 TO ATTEND THE LEHNDORFF & BABSON REAL ESTATE CORE GROUP MEETING AND TO MEET WITH RREEF AND MERIT ENERGY COMPANY.

Clare Murphy, General Manager, presented a written and oral request to authorize staff members to travel to Dallas, Texas on May 4 through May 8, 1992 to attend the Lehndorff & Babson Real Estate CORE Group meeting and to meet with RREEF and Merit Energy Company. The Board reviewed and discussed the request.

ACTION: It was moved by Breall, seconded by Gibson to approve the request to authorize staff members to travel to Dallas, Texas on May 4 through May 8, 1992 to attend the Lehndorff & Babson Real Estate CORE Group meeting and to meet with RREEF and Merit Energy Company; motion passed, 6-0.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1991.

   Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on the performance of international fixed income managers for the period December 31, 1991.

   ACTION: No action was taken. This was an informational item only.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1991.

   Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on the performance of international equity managers for the period ended December 31, 1991. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

   ACTION: No action was taken. This was an informational item only.

3. CHIEF INVESTMENT OFFICER'S REPORT.

   a. Proxy Votes:

      There were no proxy votes presented at this time.

   b. Ken Shaffer, Chief Investment Officer, distributed a letter from Axe Core Investors, Inc. concerning the investment performance effects by the use of a South Africa Free index.

   c. Mr. Shaffer discussed his attendance at the Brinson Partners' Client Conference held in Phoenix, Arizona.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Breall, seconded by Gibson to hear the Supplemental Calendar; motion passed, 6-0.

ITEM:

1. REQUEST FOR DISMISSAL OF APPLICATION FOR DETERMINATION OF DISABILITY PAY - ALAN P. HINDAHL

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Pedro Fernandez $24,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

John N. Firth $34,525.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Ernest Gonzalez $ 7,500.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Harvey Reed $15,260.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Richard Federico $18,750.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Rodney Green $ 2,080.16

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Charles Harris $30,000.00

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Tracy J. Pabros $16,666.67

4. SETTLEMENT OF THIRD PARTY CLAIM AND COMPROMISE & RELEASE:

Matthew Duke Rockett $1,500.00

5. HEARING DECISION:

a. James S. Scott
H-10 Chief Operator - Fire Department
Industrial Disability Retirement
Effective Date: December 21, 1991 Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. William K. Maas, Jr.

   b. Marilyn L. Navas

7. APPLICATION FOR BIRTHDATE CORRECTION:

   Leo Capos

ACTION: It was moved by Gibson, seconded by Breall to adopt the Supplemental Calendar; motion passed, 6-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the Workers Compensation issues as follows:

   a. Workers Compensation Task Force

      The Mayor's Workers Compensation Task Force recommended adding resources to the Workers Compensation Division, specifically to the claims adjusting function of the division. The additional resources recommended would be used to hire a Third Party Administrator to handle a portion of the 8,000 active claims.

   b. Board of Supervisors' Hearing and Resolution on Workers Compensation

      Supervisor Hsieh conducted a hearing on the City's workers compensation experience Tuesday, March 3, 1992. At that meeting Supervisor Hsieh requested and the committee recommended to the full Board of Supervisors a resolution calling for adding resources thru hiring of a Third Party Administrator for the Workers Compensation Division. The Division currently has 350-600 cases per adjuster. The State recommends 150-200 per adjuster.

      The Board of Supervisors at its meeting of March 9, 1992 passed the resolution unanimously.

2. Ms. Murphy discussed the Mayor's Department Head meeting which highlighted the Americans with Disabilities Act (ADA) and the City's responsibility. The Retirement System offices are totally accessible. Other issues will need to be addressed such as large print documents for retirees. The City's compliance with the employment provisions of ADA will be coordinated by a city-wide committee which will include representation by the Retirement System Workers Compensation Division.

3. Ms. Murphy reported on the progress of the Prop A Early Retirement Project as of March 6, 1992 as follows:

   - o 1440 eligibles selected a retirement date.
   - o 508 declined the early retirement offer.
   - o 3036 have not responded. A letter will go out this week to individuals who have not responded.

   The Early Retirement Committee consisting of the Mayor, Controller, and the Civil Service Commission's General Manager has been called to order. The Retirement System transmitted the first official list of vacated job classes and effective retirement dates. The Committee will meet on March 12 to establish its rules and procedures. Meeting to consider specific positions will begin March 19, 1992 and continue on Thursdays and Fridays as long as necessary. Ms. Murphy will report on the results of these meetings at the next Board meeting.

   Ms. Murphy reported that the Budget Analyst review of Prop A is still ongoing. The outstanding issue is that of the exit interview of those 46 individuals who declined the early retirement offer after their interview. The Board discussed the issue at great length and directed staff to furnish Harvey Rose's office with names and phone numbers for a statistically significant sample from the pool of 46.

There being no further business the Board adjourned its meeting at 5:40 p.m.

Respectfully Submitted:

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Richard Adams, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
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TUESDAY, March 24, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Doris Ward	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 10, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

CONSENT CALENDAR

Note: Commissioner Ward arrived during the discussion of the Consent Calendar.

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 18-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Stacy Harris $2,500.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Phillip S. Burton $7,035.00

3. HEARING DECISIONS:

a. Jack P. Fitzpatrick
H2 Fire Fighter - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: April 1, 1990 Denied

b. Warren McCormack
Q2 Police Officer - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: August 8, 1991 Granted

4. APPLICATIONS FOR BIRTHDATE CORRECTION:

a. Mable J. Childers
b. Joe W. Marsh
c. David Jules McCray
d. Essie L. Mormen
e. Ramon P. Navarro
f. Maekathryn Smith

ACTION: It was moved by Driscoll, seconded by Breall to adopt the Consent Calendar; motion passed, 7-0.

REGULAR CALENDAR

1. REQUEST FOR A PETITION FOR REHEARING FROM THE SEVEN TEACHERS REQUESTING REINSTATEMENT FROM RETIREMENT.

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on the petition for rehearing from the seven teachers requesting reinstatement from retirement. Arthur Peterson, one of the seven teachers, spoke on behalf of the teachers. Joan Marie Shelley of the United Educators of San Francisco also spoke.

The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to approve the request for a petition for rehearing to hear the matter de novo from the seven teachers requesting reinstatement from retirement; motion passed, 4-3. (Gibson, Wong, Breall)

CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Sections 54956.9(b)(1) and (b) (2) et. seq., the Retirement Board met in closed session to discuss a potential litigation matter.

The Board returned to open session and announced no action had been taken in closed session.

Note: The Board then took the Calendar out of normal order and discussed Regular Calendar Item No. 3.

REGULAR CALENDAR

3. COST OF LIVING ADJUSTMENTS FOR RETIREES SUBJECT TO CHARTER SECTION 8.526, TO BE EFFECTIVE 7-1-92.

Kieran Murphy, Actuary, presented a written and oral report to the Board on the cost of living adjustment for retirees subject to Charter Section 8.526, to be effective July 1, 1992. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

Action: It was moved by Gibson, seconded by Breall to approve staff's recommendation on the cost of living adjustments for retirees effective July 1, 1992; motion passed, 7-0.

NOTE: The Board then continued with the discussion of Regular Calendar Item No. 2

2. REHEARING OF THE SEVEN TEACHERS REQUESTING REINSTATEMENT FROM RETIREMENT.

The Board took the following actions:

ACTION: It was moved by Driscoll, seconded by Meiberger to:

1) allow Jean Devich to rescind her retirement and retire under the provisions of Proposition A between March 1 and March 30, 1992 provided that all pension monies be repaid to the Retirement System prior to the new effective date of retirement; motion passed, 4-3. (Gibson, Breall, Wong)

2) allow Jack Pereira to rescind his retirement and retire under the provisions of Proposition A between March 1 and March 30, 1992 provided that all pension monies be repaid to the Retirement System prior to the new effective date of retirement; motion passed, 4-3. (Gibson, Breall, Wong)

3) allow Art Peterson to rescind his retirement and retire under the provisions of Proposition A between March 1 and March 30, 1992 provided that all pension monies be repaid to the Retirement System prior to the new effective date of retirement; motion passed, 4-3. (Gibson, Breall, Wong)

4) allow Lydia Stoopenkopp to rescind her retirement and retire under the provisions of Proposition A between March 1 and March 30, 1992 provided that all pension monies be repaid to the Retirement System prior to the new effective date of retirement; motion passed, 4-3 (Gibson, Breall, Wong).

5) It was moved by Driscoll, seconded by Meiberger to allow David Albeyta to rescind his retirement and retire under the provisions of Proposition A between March 1 and March 30, 1992 provided that all pension monies be repaid to the Retirement System prior to the new effective date of retirement and that Mr. Albeyta will provide substantial evidence to support his request for reinstatement; motion passed, 4-3. (Gibson, Breall, Wong)

6) It was moved by Ward, seconded by Meiberger to direct staff to notify those individuals whose retirement was effective August 31, 1991 of the Board's actions at this meeting and of their opportunity to rescind their retirement and retire under the provisions of the Prop A Early Retirement Program; motion passed, 7-0.

7) It was moved by Driscoll, seconded by Gibson to deny the petition for reinstatement from Frank Lillef; motion passed, 7-0.

8) It was moved by Meiberger, seconded by Breall to deny the petition for reinstatement from Peter Dahl; motion passed, 6-1 (Driscoll).

4. REQUESTS FOR RECONSIDERATION OF PRIOR PART-TIME SERVICE:

a. Robert J. Anderson
b. Lou Aronian
c. Janie Dere
d. Mary C. Garibaldi
e. Christy Ann Maguire
f. Delores A. McCray
g. Joseph Nebenzahl
h. Janice Palmer
i. Rosario Villaluna
j. Queen E. Williams

Clare Murphy, General Manager, presented a written and oral request to the Board to reconsider the prior part-time service request of the individuals listed above. The Board reviewed and discussed the requests and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to approve the requests for reconsideration of prior part-time service for those individuals listed in 4.a. to 4.j.; motion passed, 7-0.

5. REQUEST FOR APPROVAL TO DESTROY RECORDS.

Rudy Hernandez, Deputy General Manager, presented a written and oral request to the Board to destroy records. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Ward to approve staff's request to destroy records which have been microfilmed by Micro Images, Inc.; motion passed, 7-0.

6. RESOLUTIONS COMMENDING THE FOLLOWING RETIREMENT SYSTEM STAFF ON THEIR RETIREMENT:

a. Nomie Almendra
b. Darwin Lennox
c. Audrey Spring
d. Joe Unamun

Clare Murphy, General Manager, presented resolutions commending the above-named staff on the occasion of their retirement. The Board reviewed and discussed the resolutions.

ACTION: It was moved by Meiberger, seconded by Gibson to adopt the resolutions commending Nomie Almendra, Darwin Lennox, Audrey Spring and Joe Unamun on the occasion of their retirement; motion passed 7-0.

7. REQUEST AUTHORIZATION FOR STAFF MEMBER TO JOIN A TRIP SPONSORED BY THE US-ASEAN COUNCIL FOR BUSINESS AND TECHNOLOGY TO TAIWAN, PHILIPPINES, SINGAPORE AND THAILAND ON APRIL 4-16, 1992.

Clare Murphy, General Manager, requested that this item be withdrawn from the calendar.

INVESTMENT CALENDAR

1. REQUEST FOR EXEMPTION FROM SOUTH AFRICA RESTRICTION.

Ken Shaffer, Chief Investment Officer, presented a written and oral request to the Board on the request to exempt specific securities from the South Africa restriction. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: This item was continued to the next regularly scheduled Board meeting.

NOTE: Supervisor Doris Ward left at the end of the discussion of Investment Calendar Item 1.

2. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes

The following proxy proposals were presented to the Board for action:

Shareholder Proposal	For	Against
AT&T		
1) Resume contributions to Planned Parenthood	1	5
2) Include in the proxy proposal the address of the person or entity submitting the proposal.	1	5
3) Omit from proxy statement issues not related to the business of AT&T or designed to give publicity to hate-mongering or controversial issues	1	5
4) List company executives that earn $100,000 or more on the proxy	2	4
a) Allow staff to vote this policy as a multi-company issue.	2	4

BALTIMORE GAS & ELECTRIC

1.	Cap executive compensation at 20 times the average employees salary.	2	4

CITICORP

1.	Prepare audio tape of annual meetings	0	6

EXXON

1.	Form a shareholder committee funded by the Company.	0	6

G.E.

1.	Refrain from contributions to organizations that counsels or performs abortions.	0	6
2.	Introduce additional energy maximizing equipment and technologies into GE's operations.	1	5

P.G.& E.

1.	Allocate 1¢ per share towards improvement of wildlife lands near PG&E California locations	0	6

SANTA FE ENERGY RESOURCES

1.	Merge with Adobe Oil and Gas	5	1

b. Ken Shaffer, Chief Investment Officer, discussed that Banker's Trust is lowering its fees for custodial services to the Retirement System.

c. Mr. Shaffer distributed a list of meetings conducted by Investment staff during the month of March 1992.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy announced the appointment of Robert Parmelee as 1658 Chief Accountant.

2. Ms. Murphy discussed that the 3rd District Court upheld of the Governor's ability in the AB 702 lawsuit.

3. Ms. Murphy reported that she received the preliminary report from the Human Rights Commission regarding the Lam Securities issue. Ms. Murphy discussed her plans to meet with HRC officials to discuss the draft report and she will let the Board know of any developments at the next Board meeting.

4. Ms. Murphy discussed the status of the Early Retirement Project which is closing in a week. The following summarizes the status of the project:

    - o 1630 eligibles selected a retirement date
    - o 124 are not yet processed
    - o 1003 declined the early retirement offer
    - o 74 outstanding interviews

    The 95 individuals who retired under Prop A in February 1992 will be receiving their first check on April 1, 1992.

5. Ms. Murphy reported the Retirement System transmitted to the Budget Analyst's office 15 names of individuals who declined the Prop A Early Retirement offer as requested.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Wong, seconded by Breall to hear the Supplemental Calendar; motion passed, 6-0.

ITEM:

1. REQUEST FOR RECONSIDERATION OF PART-TIME PRIOR SERVICE:

    Eiko Fu

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Hsueh Yuan Chen Pan $47,500.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Edward P. Harkins $14,000.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

John H. Hirshfeld $14,500.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

James Mancusco $ 8,250.00

e. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Patricia A. Wilds $20,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Simone Robins $ 6,000.00

4. HEARING DECISION:

Robert Stephenson
H2 Fire Fighter - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: March 1, 1988 Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. Charles Hallgren

b. James E. Hooker

c. LaRita Jackson

d. Douglas Thomson

6. APPLICATION FOR BIRTHDATE CORRECTION:

Rodolfo D. Chairez

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Supplemental Calendar; motion passed, 6-0.

BOARD MEMBERS

Commissioner Gibson discussed her attendance at the CALAPRS General Assembly meeting held in San Diego from March 15 to March 16, 1992.

There being no further business the Board adjourned its meeting at 5:30 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

MINUTES

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TUESDAY, April 14, 1992
1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Kevin Shelley	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, March 24, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

NOTE: Commissioner Driscoll arrived at the beginning of the discussion of the Consent Calendar.

The following items were presented under the Consent Calendar:

ITEM:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 19-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Nancy Gelini $15,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Bob K.T. Hou $ 5,000.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Kenneth C. Kelley $ 3,000.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Ethel L. Long $ 8,887.00

e. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Constance M. Martin $ 8,250.00

f. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Mary L. Sanders $ 5,000.00

g. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Scott G. Williams $18,000.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Robert S. Lee $ 529.58

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Laurence Ramlan $1,753.01

4. HEARING DECISIONS:

a. Daniel Boden
Q-2 Police Officer - Police Department
Industrial Disability Retirement
Effective Date: May 14, 1992 — Granted

b. Edgar P. Bryant
H20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: December 7, 1991 — Granted

c. Andres Colon
1762 Sr. Offset Machine Operator
Ordinary Disability Retirement
Effective Date: June 20, 1992 — Granted

d. Don D. Daniels
0380 Inspector - Police Department
Industrial Disability Retirement/Stipulation — Denied

e. Frank J. Falzon
0380 Inspector - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: February 22, 1992 — Granted

f. Harvey G. Harrison
Q50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: July 8, 1989 — Granted

g. Michael Joseph
9163 Transit Operator - Muni Railway
Ordinary Disability Retirement — Denied

h. James J. O'Sullivan
H2 Firefighter - Fire Department
Industrial Disability Retirement
Effective Date: March 24, 1992 — Granted

i. Stanley G. Sadler
H2 Firefighter - Fire Department
Industrial Disability Retirement/Stipulation — Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. Quirino J. Almeida

b. Aaron Polk

c. Nicholas Sepich

d. Rosalinda T. Talaro

6. APPLICATIONS FOR BIRTHDATE CORRECTION:

   a. Mary Bell

   b. Teofilo R. Capule, Sr.

   c. Howard Choy

   d. Pauline Cooper

   e. Norman Deams

   f. Herbert L. Jack

   g. William T. Lowe

   h. Dennis Joseph Shalloo

ACTION: It was moved by Gibson, seconded by Breall to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

1. REQUEST TO REVIEW ELIGIBILITY ISSUES OF APPLICANT WHO WISHES TO RETIRE UNDER PROPOSITION A:

   Walter C. Swan

   Maria Newport, Administrator, Retirement Services, presented a written and oral request to the Board to accept Walter Swan's application to retire under Proposition A. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

   ACTION: It was moved by Driscoll, seconded by Meiberger to adopt staff's recommendation to allow Walter C. Swan to retire under Proposition A; motion passed, 6-0.

2. REVIEW OF THOSE INDIVIDUALS RESCINDING THEIR AUGUST 31, 1991 RETIREMENT TO TAKE ADVANTAGE OF PROPOSITION A.

   Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board regarding those individuals rescinding their August 31, 1991 retirement to retire under Proposition A.

   ACTION: It was moved by Driscoll, seconded by Breall to adopt staff's recommendation to allow those individuals rescinding their August 31, 1991 retirement to retire under Proposition A; motion passed, 6-0.

   Commissioner Driscoll requested staff to provide the job classification numbers and titles of the forty-four individuals.

3. DEFERRED COMPENSATION REVIEW.

Pam Levesque, Executive Assistant, presented a written and oral report to the Board on the project analyzing the Deferred Compensation Program. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to adopt staff's report and recommendations as refined during the discussion; motion passed, 6-0.

INVESTMENT CALENDAR

1. QUARTERLY REAL ESTATE PERFORMANCE REPORT BY THE TOWNSEND GROUP.

Kevin Lynch, a Principal of the Townsend Group, presented a written and oral report to the Board on the real estate performance for quarter ended December 31, 1991. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: No action was taken. This was an informational item only.

2. REAL ESTATE MANAGER PRESENTATION:

- JMB Realty

Representatives from JMB Realty, presented a written and oral report to the Board on their performance for the quarter ended December 31, 1991. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: No action was taken. This was an informational item only.

3. FUND TRANSFER FOR INVESTMENT DIVISION BUDGET.

Ken Shaffer, Chief Investment Officer, presented a written and oral request to the Board to transfer funds to the Investment Division budget. The Board reviewed and discussed the request.

ACTION: It was moved by Gibson, seconded by Meiberger to approve staff's recommendation to transfer funds to the Investment Division budget to pay for investment managers' fees as outlined in the request submitted by staff; motion passed, 6-0.

4. REQUEST FOR EXEMPTION FROM SOUTH AFRICA RESTRICTION.

Ken Shaffer, Chief Investment Officer, presented a written and oral request to the Board to exempt various companies from South Africa restriction. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to adopt staff's recommendation to exempt companies from South Africa restriction except for the company requested for exemption by Hanson Investment Management which will be referred to Hanson for further analysis; motion passed, 6-0.

5. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes

Shareholder Proposal	For	Against
Aetna Life & Casualty Co.		
Fine Board members $1,000 for missing a board meeting.	0	6
American Express		
Publish a list of the company's political contributions	0	6
Armco Inc.		
Merger with Cyclops Industries	5	1
Bell Atlantic		
1. Reinstate dividend investment stock purchase plan for shareholders that own less than 50 common shares	1	5
2. Abolish short-term incentive plan for senior managers	1	5
The Gillette Company		
Restrict future expansion within South Africa	0	6
IBM		
Hold a pre-board of directors annual meeting to elect three company employees to the Board of Directors.	1	5

Shareholder Proposal	For	Against
J.P. Morgan		
Change the annual meeting date from May 13th to the first Wednesday in June	1	5
Merrill Lynch		
Discontinue program trading stock index futures, basket trading and "mathematical trading".	0	6
Merck & Co.		
1. Allow ten year non-employee director stock options	0	6
2. Terminate remaining South African ties	0	6
Nations Bank		
Restrict banking practices in South Africa	0	6
UAL Corp.		
1. List company executives with total compensation in excess of $100,000	1	5
2. Notify shareholders of any tender offers seven days before rejection.	6	0

b. Brokerage Issues

Ken Shaffer, Chief Investment Officer, presented a written and oral report on brokerage issues for investment of pension fund monies. The Board reviewed and discussed the concepts with Mr. Shaffer.

c. South Africa Restricted List of Companies

Mark Coleman, Securities Analyst, submitted a current listing of the South Africa Restricted List of Companies.

d. Monthly Report of Investment Staff Meetings

Ken Shaffer, Chief Investment Officer, submitted the monthly list of meetings held by Investment Staff for the month of March 1992.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Breall to hear the Supplemental Calendar; motion passed, 6-0.

ITEM:

1. REQUEST TO REVIEW ELIGIBILITY ISSUES OF APPLICANT WHO WISHES TO RETIRE UNDER PROPOSITION A:

   Willie Perkins

   ACTION: It was moved by Breall, seconded by Meiberger to approve the request of Willie Perkins to retire under the provisions of Proposition A; motion passed 6-0.

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Nancy Rumsey $3,000.00

   ACTION: It was moved by Breall, seconded by Meiberger to accept the settlement of disputed claim in the Nancy Rumsey case; motion passed, 6-0.

3. HEARING DECISIONS:

   a. Thomas J. Dickson
      0380 Inspector - Police Department
      Industrial Disability Retirement/Stipulation
      Effective Date: July 16, 1988 Granted

      ACTION: This case was continued to the next Board meeting on April 28, 1992.

   b. James P. Lassus
      Q-2 Police Officer - Police Department
      Industrial Disability Retirement Denied

      ACTION: It was moved by Breall, seconded by Gibson to accept the hearing decision in James P. Lassus case; motion passed, 6-0.

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Lauro I. Cruz

   b. Geraldine D. Rosen

   ACTION: It was moved by Wong, seconded by Gibson to approve the requests of Lauro Cruz and Geraldine D. Rosen to withdraw funds from the Deferred Compensation Plan; motion passed, 6-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the request from the Mayor's Office to meet with selected Board members and staff to review the previously adopted FY 92-93 retirement rates of contribution. Ms. Murphy will advise the Board should additional information become available.

2. Ms. Murphy discussed the meeting held with Ed Lee of the Human Rights Commission regarding the Lam Securities complaint. Staff is preparing a draft response to the findings in the HRC report. The findings are also in the process of being modified. Once the final reports are prepared, copies will be made available to the Board. Ms. Murphy also discussed the details of the Retirement System response to the HRC findings.

3. Ms. Murphy reported on the status of the Proposition A Early Retirement Project.

   a. The Early Retirement window closed on March 31, 1992. Staff is now faced with the awesome task of reviewing the 1500 individuals who retired in March and who will receive their first checks by June 1, 1992.

   b. Individuals who retired on February 1, 1992 received their first pension checks on April 1st.

   c. 1,751 individuals retired under Proposition A. One individual cancelled his retirement. Three individuals have outstanding legal problems.

   d. It will take until mid-May for staff and consultant to accomplish the remaining tasks of the project.

4. Ms Murphy reported that EIPSC's preliminary review of the Computer Development Project was positive.

5. Ms. Murphy distributed and discussed the proposed schedule for contracting with a Third Party Administrator for Workers Compensation claims. Rudy Hernandez, Deputy General Manager, discussed the schedule and related issues in greater detail.

6. Ms. Murphy announced that Kevin Shelley was elected as President of the Board of Supervisors and will either serve as an ex-officio Retirement Board member or designate another member of the Board of Supervisors to serve. He has been notified of the Retirement Board meeting schedules.

7. Ms. Murphy informed the Board that she was contacted by the Mayor's Office regarding the Retirement System budget. Ms. Murphy reported that there will be no personnel reductions in the Retirement System workforce.

8. Ms. Murphy distributed a flyer from the City Attorney's Office regarding a retirement dinner for their retiring employees. Ms. Murphy also informed the Board of the Retirement System's dinner for retiring staff which will be held on April 24, 1992.

9. Ms. Murphy distributed and discussed the Proposed Charter Amendment combining the Retirement Board and the Health Services Board into one Employee Benefits Board.

BOARD MEMBERS

Commissioner Ashe discussed his attendance at the Council of Institutional Investors meeting and the various issues raised during the meeting.

Commissioner Breall wished everybody a Happy Passover and Happy Easter.

There being no further business the Board adjourned its meeting at 7:10 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel A. Michelson, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, April 28, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	Bonnie K. Gibson	Commissioner
	Kevin F. Shelley	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 14, 1992

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 20-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Jerome E. O'Brien, Sr. $8,500.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Aaron C. Coverson $1,783.91

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

William Decarsky $3,103.33

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Ronald E. Gardner $ 356.37

4. HEARING DECISIONS:

a. Cora E. Oryall
Q2 Police Officer - Police Department
Industrial Disability Retirement Denied

b. Tyrone Terrell
9163 Transit Operator - Muni Railway
Ordinary Disability Retirement
Effective Date: March 31, 1992 Granted

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Don Brown

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Consent Calendar; motion passed, 4-0.

1. HEARING OFFICER DECISION:

Thomas J. Dickson
0380 Inspector - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: July 16, 1988 Granted

Dan Maguire, Deputy City Attorney, presented a written and oral recommendation to the Board regarding the hearing officer's decision on Thomas J. Dickson's application for Industrial Disability Retirement/Stipulation. The Board reviewed and discussed the recommendation and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to accept the City Attorney's recommendation to petition for a rehearing in the case of Thomas J. Dickson; motion passed, 4-0.

NOTE: The Board took the calendar out of normal order and discussed Regular Calendar Item No. 3 first.

3. REQUEST AUTHORIZATION TO ATTEND THE INSTITUTE FOR INTERNATIONAL RESEARCH INTERNAL INVESTMENT MANAGEMENT CONFERENCE TO BE HELD IN NEW YORK CITY ON JUNE 8 THROUGH JUNE 9, 1992.

Clare Murphy, General Manager, presented a written and oral request to the Board to authorize Ken Shaffer to attend the Institute for International Research Internal Investment Management Conference and meet with SFERS investment management managers in New York City from June 8 through June 12, 1992. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request to authorize Ken Shaffer to attend the Institute for International Research Internal Investment Management Conference and meet with SFERS investment management managers in New York City from June 8 through June 12, 1992; motion passed, 4-0.

NOTE: The Board then discussed Investment Calendar Item No. 3.

INVESTMENT CALENDAR

Note: Commissioner Driscoll arrived during the discussion of Investment Calendar Item No. 3.

3. RECOMMENDED POLICY GOVERNING THE QUALIFICATION AND SELECTION OF BROKERS.

Ken Shaffer, Chief Investment Officer, presented a written and oral recommendation to the Board regarding the policy governing the qualification and selection of brokers. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to adopt staff's recommended policy governing the qualification and selection of brokers as an interim policy for the next six months with an amendment to the second WHEREAS of the policy to read: "WHEREAS, the Retirement Board and investment staff of the Retirement System have the fiduciary responsibility to manage the Fund's assets for the exclusive benefit of the Plan participants and their beneficiaries, and"; motion passed, 5-0.

NOTE: The Board resumed with the discussion of Regular Calendar Item No. 2.

REGULAR CALENDAR

2. REQUEST FOR DISMISSAL OF APPLICATION FOR DETERMINATION OF DISABILITY PAY: JAMES J. CRABTREE

Pam Levesque, Executive Assistant, presented a written and oral request to the Board to dismiss the Application for Determination of Disability Pay of James J. Crabtree. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: 1) It was moved by Meiberger, seconded by Breall to recuse Commissioner Driscoll from the vote on the request to dismiss James J. Crabtree's Application for Determination of Disability Pay; motion passed, 5-0.

2) It was moved by Meiberger, seconded by Breall to approve staff's request to dismiss James J. Crabtree's Application for Determination of Disability Pay; motion passed, 4-0. (Driscoll recused)

NOTE: The Board then resumed with the discussion of the remaining items on the Investment Calendar in the following order.

INVESTMENT CALENDAR

2. INVESTMENT RECOMMENDATION ON MERIT ENERGY COMPANY

Gary Hiatt, Portfolio Manager, and Cynthia Frost, a representative from Lewis, Bailey Associates presented a written and oral recommendation to the Board regarding investment in Merit Energy Company. The Board reviewed and discussed the recommendation and engaged in a question and answer session with staff and consultant. The Board also directed staff and Consultant to consider the financial implications of utilizing leverage as a feature of the Merit Energy investment.

ACTION: It was moved by Driscoll, seconded by Meiberger to approve staff and consultant's recommendation to invest $15 million in Merit Energy Company; motion passed, 5-0.

1. ALTERNATIVE INVESTMENT SEMI-ANNUAL REPORT.

Alicia Cooney, a representative from Lewis, Bailey Associates, presented the semi-annual Alternative Investments Report to the Board. The Board reviewed and discussed the report and engaged in a question and answer session with staff and consultant.

ACTION: No action was taken. This was an informational item only.

4. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes:

Shareholder Proposal	For	Against
Chemical Banking Corporation:		
Set formula for executive retirement pension based upon the retirement benefits of government representatives	1	4
Eastman Kodak:		
Disclose all executive officers severance compensation	1	4
Jefferson-Pilot:		
Replace current board of directors with dissident group.	5	0

b. Ken Shaffer, Chief Investment Officer, distributed and discussed an update to Social Investment Policy South Africa Exceptions List.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the ordinance establishing a policy that all City and County offices reduce the use of paper products and office supplies. Ms. Murphy discussed implementing this policy starting with the preparation of Board meeting materials.

2. Ms. Murphy discussed the update on the Prop A Early Retirement Project as follows:

   A. Early Retirement Committee:

      The members of the Early Retirement Committee which consisted of the Controller, the Civil Service Commission General Manager, and the Mayor's Office Budget Director completed the review of positions vacated by early retirees and recommended to eliminate 500 positions on a permanent basis.

      The Retirement System was able to keep three of the four positions vacated by staff who retired under Proposition A.

   B. Prop A Implementation:

      - 1500 members who chose March 1992 retirement dates will receive their first checks on June 1st.
      - Staff are manually calculating the benefits of 800 of these retirees and these tasks should be completed by May 15th.
      - The consultant, TPF&C, is leaving on the third week of May.

3. Budget Update:

   - Ms. Murphy reported that they have met with the Mayor's Office regarding the Retirement System's budget for FY 1992-1993.
   - Ms. Murphy reported a change in the budget structure for the City Attorney's costs. The City Attorney will be removed from the Retirement System budget and placed in the General Fund.
   - The Workers' Compensation Task Force met on April 15, 1992. Once a third party administrator is selected, it will take three to four months for implementation to take place.

4. Ms. Murphy informed the Board that she has not yet met with Supervisor Kevin Shelley regarding the Retirement Board seat.

5. Ms. Murphy discussed the meeting she attended with Teresa Serata, Margaret Kisliuk, Hadley Roff (Mayor's Office), Ed Harrington (Controller's Office), Retirement Board Commissioners Peter Ashe and Mason Wong, and Kieran Murphy (Retirement System) regarding the System's contribution rates. The Mayor's Office heard the staff and Board members' arguments that appropriate contribution rates were set for 1992-93 and there is no margin for change to assist in the solution of the City's budget deficit problem.

6. Ms. Murphy discussed the Mayor's Fiscal Advisory Committee (MFAC) review. Lee Munson is preparing a final analysis which will be presented to the Mayor tomorrow, April 29, 1992. Ms. Murphy said she will attend the meeting and update the Board at the next Retirement Board meeting.

7. Ms. Murphy discussed the proposed Charter Amendment combining the Health Service System and the Retirement System. There is no new development since the last Board meeting. Commissioner Breall informed Ms. Murphy that he had discussed this situation with his counterpart, Dr. Foster, who serves on the Health Services System Board. Commissioner Breall discussed the problems of the Health Services System.

8. Ms. Murphy distributed and discussed the Human Rights Commission findings on the Lam Securities complaint and the Retirement System's response to these findings. The Board discussed the findings and the response.

BOARD MEMBERS

Board President Peter Ashe reported about a business luncheon he attended regarding investment broker/trader relationship. The luncheon featured Wayne Wagner, President of Plexus Corporation. Commissioner Ashe also discussed his attendance at an all day venture capital conference sponsored by Robertson & Stevens.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Breall to hear the Supplemental Calendar; motion passed, 5-0.

ITEM:

1. REQUEST TO ADJUST RETIREMENT ALLOWANCE: JAMES M. CHASE

   ACTION: The Board voted unanimously by ballot vote to adjust the retirement allowance of James M. Chase from 50% to 72%.

2. REQUEST TO ADJUST RETIREMENT ALLOWANCE: THOMAS J. GRIFFIN

   ACTION: The Board vote unanimously by ballot vote to adjust the retirement allowance of Thomas J. Griffin from 50% to 60%.

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Harold W. Bell $ 7,500.00

   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Rana A. Domondon $ 3,550.00

   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Yvonne L. Pratt $ 5,500.00

4. HEARING DECISIONS:

   a. Joseph P. Collins
   H-20 Lieutenant - Fire Department
   Industrial Disability Retirement/Stipulation
   Effective Date: July 6, 1991 Granted

   b. James A. Goodwin
   H-50 Assistant Chief - Fire Department
   Industrial Disability Retirement/Stipulation
   Effective Date: November 9, 1991 Granted

   c. Dennis L. Newcomer
   Q-2 Police Officer - Police Department
   Industrial Disability Retirement Denied

   d. Mark Pappas
   8222 Housing Police Officer - Police Department
   PERS
   Effective Date: Expiration of Section 4850 and Sick Leave Benefits Granted

   e. Vincent Russo
   3618 Library Technician II - Library
   Ordinary Disability Retirement
   Effective Date: May 2, 1992 Granted

f. James S. Scott
H-10 Chief Operator - Fire Department
Industrial Disability Retirement
Effective Date: December 21, 1991 Granted

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

Ana A. Zambrana

ACTION: It was moved by Breall, seconded by Driscoll to adopt Items 3, 4 and 5 of the Supplemental Calendar; motion passed, 5-0.

There being no further business the Board adjourned its meeting at 6:15 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

RESOLUTION
Regarding Brokerage Services

WHEREAS, the Retirement Board and investment staff of the Retirement System have the fiduciary responsibility to manage the Fund's assets for the exclusive benefit of the Plan participants and their beneficiaries, and

WHEREAS, the investment staff and its external managers must enlist the services of brokers to buy and sell securities in the management of portfolios, and

WHEREAS, the goal of brokerage is problem free execution of transactions and settlements, with minimal market impact, at the best prices and lowest transaction costs while avoiding unnecessary risks,

NOW THEREFORE, BE IT RESOLVED, that the Retirement System staff and its external managers shall conduct brokerage only with financially sound organizations that employ experienced, ethical, institutional brokers. These organizations shall have a verifiable history of transacting large equity trades (10,000 or more shares) or fixed income trades ($10,000,000 or above) through custodians. These organizations shall have adequate reserves (net capital plus appropriate insurance as determined from audited financial statements) greater than or equal to one hundred and fifty percent (150%) of the principal amount of any trade. The principals of such firms shall have a minimum of five years' experience in providing institutional brokerage services. Any regulatory investigations, governmental legal actions, or improper practices concerning the firm or its principals may disqualify the firm.

BE IT FURTHER RESOLVED, that staff shall conduct brokerage for internally managed funds based on quarterly reviews of their services, including discounted commissions, research, and related services, and on good faith efforts to include local, minority, and women owned firms. Staff shall review financial statements of brokerage houses and conduct reference checks of new brokers. External managers shall be directed to review their brokerage services in accordance with this policy and to report commission allocations to the Chief Investment Officer. All managers are directed to adhere to the goals and obligations as stated above. This policy shall not be construed as a prohibition of directed transactions or soft dollar transactions.

This resolution was adopted by the Retirement Board on April 28, 1992.

Peter D. Ashe
President, Retirement Board

Clare M. Murphy
General Manager

MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, May 12, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Kevin F. Shelley	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, April 28, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

Note: Commissioner Breall arrived during the discussion of the Consent Calendar.

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 21-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Mary L. Lopez $ 8,287.76

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Andre Rouleau $13,770.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Lois A. Stocks $10,000.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Richard Morton $ 7,661.25

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Nicholas Rubino $ 5,905.77

4. HEARING DECISIONS:

a. Rodney A. Hirtzel
7363 Power House Electrician - Hetch-Hetchy
Ordinary Disability Retirement
Effective Date: April 1, 1992 Granted

b. Samuel Moore
Q-50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: August 25, 1990 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Kevin Gannon

   b. Michele Landi

   c. Robert W. Pedersen

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the Consent Calendar; motion passed, 6-0.

REGULAR CALENDAR

1. RECONSIDERATION OF RETIREMENT CONTRIBUTION RATES AT THE REQUEST OF MAYOR FRANK JORDAN.

   Kieran Murphy, Actuary, presented a written and oral report; Ken Shaffer, Chief Investment Officer, and Clare Murphy, General Manager, presented oral reports to the Board regarding the Mayor's request to lower FY 92-93 retirement contribution rates. Margaret Kisliuk from the Mayor's Office also made an oral presentation on behalf of the Mayor.

   The Board reviewed and discussed the request and engaged in a question and answer session with staff.

   ACTION: It was moved by Driscoll, seconded by Gibson to table the request from Mayor Frank Jordan for a reconsideration of retirement contribution rates until the May 26, 1992 Retirement Board meeting; motion passed, 6-0.

2. REQUEST TO APPROVE THE RETIREMENT SYSTEM INVESTMENT BUDGET FOR FY 1992-93.

   Rudy Hernandez, Deputy General Manager, presented a written and oral request to the Board to approve the Retirement System Investment budget for FY 1992-93. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

   ACTION: 1. It was moved by Gibson, seconded by Driscoll to approve the Retirement System Investment Budget for FY 1992-93 for Contractual Services, Current Expenses, Capital Outlay, and Services of Other Departments as outlined on page one of the budget material; motion passed, 6-0.

2. It was moved by Gibson, seconded by Driscoll to approve the request of Commissioner Meiberger to be recused from the vote on the Personal Services portion of the Investment Division budget; motion passed, 6-0.

3. It was moved by Gibson, seconded by Driscoll to adopt the Personal Services portion of the Investment Division Budget; motion passed, 5-0. (Meiberger recused)

3. REPORT ON DEFERRED COMPENSATION RESPONDENTS TO THE REQUEST FOR PROPOSAL.

Pam Levesque, Executive Assistant, presented a written and oral report to the Board regarding the deferred compensation respondents to the Request for Proposal. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION:

1. It was moved by Gibson, seconded by Meiberger to recuse Commissioner Wong from voting on this item; motion passed, 6-0.

2. It was moved by Driscoll, seconded by Breall to direct staff to continue to explore a deferred compensation relationship with Fidelity, Aetna, Great West, Hartford, Prudential and Valic; motion passed, 5-0. (Wong recused)

4. REQUEST TO FILE AN ORDINARY DISABILITY RETIREMENT APPLICATION: JAMES J. CORRIGAN.

Pam Levesque, Executive Assistant, and Dan Maguire, Deputy City Attorney presented a written and oral request to the Board to file an Ordinary Disability Retirement application for James J. Corrigan. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: The Retirement Board continued this item to May 26, 1992 Board meeting.

5. REQUEST FOR DISMISSAL OF APPLICATION FOR ORDINARY DISABILITY RETIREMENT/STIPULATION: THOMAS PRIMUS.

Pam Levesque, Executive Assistant, presented a written and oral request to the Board to dismiss Thomas Primus' application for ordinary disability retirement/stipulation. The Board reviewed and discussed the request.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request to dismiss the application for Ordinary Disability Retirement/Stipulation of Thomas Primus; motion passed, 6-0.

INVESTMENT CALENDAR

1. ALTERNATIVE INVESTMENT PRESENTATION - ALTA V, L.P.

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates presented a written and oral recommendation to the Board to invest in Alta V, Limited Partnership. The Board reviewed and discussed the recommendation and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Driscoll to approve staff's recommendation to invest $10 million in Alta V Limited Partnership; motion passed, 5-1. (Meiberger)

2. STAFF REPORT ON TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1992.

Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on the total portfolio performance for the period ended March 31, 1992. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: No action was taken. This was an informational item only.

3. REVIEW OF DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1992.

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on the domestic fixed income performance for the period ended March 31, 1992. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: No action was taken. This was an informational item only.

4. REVIEW OF DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1992.

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on the domestic equity performance for the period ended March 31, 1992. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: No action was taken. This was an informational item only.

5. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE PERIOD ENDING JULY 31, 1992.

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst presented a written and oral recommendation to the Board on the asset allocation for the period ending July 31, 1992. The Board reviewed and discussed the recommendation and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Wong to approve staff's recommendation on the asset allocation for the period ending July 31, 1992 including an amendment distributed during the meeting regarding the allocation to the high yield portfolio; motion passed, 6-0.

6. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes:

Shareholder Proposal	For	Against
General Motors		
Stop the use of animals in crash testing of automobiles.	4	2

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager presented the General Manager's report.

1. Ms. Murphy distributed and discussed the two articles from the May 12th issue of the S.F. Chronicle and the S.F. Examiner regarding the Lam Securities issue.

2. Ms. Murphy discussed the budget meeting with the Mayor regarding the Retirement System's budget for FY 1992-93.

3. Ms. Murphy discussed the Comments Sheet distributed to the Board regarding changes in the calendar format. The format was changed to comply with the Board of Supervisors' ordinance on paper reduction.

4. Ms. Murphy discussed the proposed charter amendments introduced for possible submission to the November 1992 ballot. The proposals will be discussed in depth at the May 26, 1992 meeting.

5. Ms. Murphy discussed the Mayor's Fiscal Advisory Committee (MFAC) report regarding the San Francisco Employees' Retirement System.

BOARD MEMBERS

Commissioner Driscoll discussed the potential of a Charter Amendment for early retirement for safety members.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Breall to hear the Supplemental Calendar; motion passed, 6-0.

ITEM:

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Robert Hollie $ 3,500.00

   b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Jose Opiana $30,000.00

   c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Harry Williams $32,000.00

2. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Brahman T. Conci $ 4,327.59

   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Louis Galarce $12,500.00

   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Stephen Jones $ 7,500.00

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Dorothy Amara

   b. Carolyn Gage

   c. Michael Ward

   d. Sonja C. Wolfe

ACTION: It was moved by Breall, seconded by Gibson to adopt the Supplemental Calendar; motion passed, 6-0.

There being no further business the Board adjourned its meeting at 7:26 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, May 26, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Kevin F. Shelley	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, May 12, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

NOTE: Commissioner Breall arrived during the discussion of the Consent Calendar.

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 22-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Susie M. Abram $13,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

John Moran $17,000.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Edward Wall $ 3,208.97

4. HEARING DECISIONS:

a. Lilla Mae Adamson
2905 Sr. Eligibility Worker - Social Services
Ordinary Disability Retirement
Effective Date: January 15, 1992 Granted

b. Richard L. Blackburn
H-30 Captain - Fire Department
Industrial Disability Retirement/Stipulation Denied

c. Napoleon Brownlow
9163 Transit Operator - MUNI
Ordinary Disability Retirement
Effective Date: July 1, 1989 Granted

d. Ronald Crow
7302 - Computer Repair Technician, SFUSD
Ordinary Disability Retirement/Stipulation
Effective Date: February 1, 1992 Granted

e. Florence L. Egger
2708 Custodian - Hetch-Hetchy
Ordinary Disability Retirement
Effective Date: March 1, 1991 — Granted

f. Yvonne Harbor
Q2 Police Officer - Police Department
Industrial Disability Retirement — Denied

g. James L. Kochevar
2912 Sr. Social Worker - Social Services
Ordinary Disability Retirement/Prop A
Effective Date: March 7, 1992 — Granted

h. Willie J. McDowell
3417 Gardener - Recreation & Park
Ordinary Disability Retirement
Effective Date: March 30, 1991 — Granted

i. Kathleen McElheney
H-2 Firefighter - Fire Department
Determination — Denied

j. Susan Stapleton
Teacher - SFUSD
Ordinary Disability Retirement/Prop A
Effective Date: February 28, 1992 — Granted

5. APPLICATION FOR BIRTHDATE CORRECTION:

Phu Thien Tran

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

Note: The Board took the calendar out of order and discussed Regular Calendar Item No. 2 first.

2. RETIREMENT RELATED CHARTER AMENDMENTS PROPOSED FOR NOVEMBER 1992 CITY BALLOT.

Kieran Murphy, Actuary, presented a written and oral report to the Board regarding the proposed retirement related charter amendments for the November 1992 City Ballot. The Board reviewed and discussed the report.

Some members of the Retired Employees Association were present. Commissioner Ashe asked for their comments. Mr. Robert Screminger, Chairman of the Legislation Committee spoke in favor of File 218-92-1 and urged the Board's support of this proposal.

ACTION: No action was taken. This was an informational item only.

3. REQUEST AUTHORIZATION TO RENEW THE ACTUARIAL CONSULTING CONTRACT WITH TPF&C.

Kieran Murphy, Actuary, presented a written and oral recommendation to the Board to renew the actuarial consulting contract with TPF&C. The Board reviewed and discussed the recommendation.

ACTION: It was moved by Meiberger, seconded by Gibson to approve staff's recommendation to renew the actuarial consulting contract with TPF&C with a cap of $120,000; motion passed, 5-0.

4. CONSIDERATION TO BEGIN THE PROCESS OF HIRING A THIRD PARTY ADMINISTRATOR TO ASSIST IN CLAIMS ADMINISTRATION.

Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board regarding the process of hiring a third party administrator to assist in claims administration for the Workers Compensation Division. The Board reviewed and discussed the report.

ACTION: It was moved by Wong, seconded by Gibson to approve the process to hire a Third Party Administrator and to begin drafting a Request for Proposal which will be discussed at the July 14, 1992 Board meeting; motion passed, 6-0.

Note: Commissioner Driscoll arrived during the discussion of this item.

5. REQUEST AUTHORIZATION TO RENEW THE WORKERS COMPENSATION REVIEWCO CONTRACT FOR FY 92-93.

Rudy Hernandez, Deputy General Manager, presented a written and oral request to the Board to renew the Workers Compensation Reviewco contract for FY 92-93. The Board reviewed and discussed the request.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request to renew the Workers Compensation Reviewco contract for FY 1992-93; motion passed, 6-0.

NOTE: The Board then discussed Regular Calendar Item No. 1.

1. RECONSIDERATION OF RETIREMENT CONTRIBUTION RATES AT THE REQUEST OF MAYOR FRANK JORDAN.

Kieran Murphy, Actuary, presented a written and oral report to the Board regarding the Mayor's request to reconsider the retirement contribution rates for FY 1992-93. The Board reviewed and discussed the report.

ACTION:

1) It was moved by Driscoll, seconded by Gibson to approve staff's recommendation to remove the prudent reserve and set contribution rates at the level calculated in each year's valuation; motion passed, 5-1. (Meiberger)

2) It was moved by Driscoll, seconded by Meiberger to send a letter to the Mayor with a copy of the transcript of this discussion explaining that the adjustment of rates was made by the Board on the basis of actuarial information and not by mayoral request; motion passed, 6-0.

6. REQUEST TO DESTROY MICROFILMED RECORDS.

Rudy Hernandez, Deputy General Manager, presented a written and oral request to the Board to destroy financial and payroll records which have already been microfilmed.

ACTION: It was moved by Driscoll, seconded by Wong to approve the request to destroy financial and payroll records which have already been microfilmed; motion passed, 6-0.

7. REQUEST TO PURCHASE PRIOR SERVICE - DENIS SHALLOO.

Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board on the request of Denis Shalloo to purchase prior service rendered with the Own Recognizance Bail Project. The Board reviewed and discussed the request.

ACTION: It was moved by Driscoll, seconded by Gibson to accept staff's recommendation to deny Denis Shalloo's request to purchase service rendered with the Own Recognizance Project; motion passed, 6-0.

8. REQUEST FOR ADJUSTMENT OF RETIREMENT ALLOWANCE: MICHAEL A. GERALDI (REQUIRES BALLOT VOTE).

Dan Maguire, Deputy City Attorney, presented a written and oral request to the Board to adjust the retirement allowance of Michael A. Geraldi. The Board reviewed and discussed the request.

ACTION: The Board voted unanimously by ballot vote to adjust the retirement allowance of Michael A. Geraldi from 50% to 55%.

9. REQUEST FROM NORMAN RASMUSSEN TO RELEASE NAMES OF RETIREES.

Clare Murphy, General Manager, presented a written and oral report to the Board regarding a request from Norman Rasmussen to release names of retirees. The Board reviewed and discussed the request.

ACTION: It was moved by Breall, seconded by Driscoll to accept staff's recommendation to deny Mr. Norman Rasmussen's request to release names of retirees; motion passed, 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Gibson to hear the Supplemental Calendar; motion passed, 6-0.

ITEM:

1. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Ernest J. Condon $ 7,968.17

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Stephen C. Flahaven $ 7,500.00

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Anthony Parker $10,000.00

2. APPLICATION FOR BIRTHDATE CORRECTION:

a. Chun Y. Yip

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the Supplemental Calendar; motion passed, 6-0.

INVESTMENT CALENDAR

1. CALLAN ASSOCIATES PRESENTATION.

Barry Dennis, a representative of Callan Associates, presented a written and oral report to the Board on the quarterly investment results for the quarter ended March 31, 1992.

ACTION: No action was taken. This was an informational item only.

2. EXTERNAL MANAGERS PRESENTATIONS:

- Brinson Partners
- Trust Company of the West
- Rosenberg Capital Management

Representatives from the above firms presented written and oral reports to the Board on their investment performance for the quarter ending March 31, 1992.

ACTION: No action was taken. This was an informational item only.

NOTE: Commissioners Gibson and Wong left during the Rosenberg Capital Management presentation.

3. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Vote:

Shareholder Proposal	For	Against
Dole Food Co., Inc.		
To establish a committee to report on various health reform proposals	4	0

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy advised the Board that the first checks will be mailed to the final group of (1,509) Prop A retirees.

   At a future meeting the Board will receive a composite list of all Prop A retirees. This report will be presented in a new format which will not include retiree addresses.

   The voluntary retirement lists will also be changed to reflect this new format.

2. Ms. Murphy reported that the staff will be sending a letter to Mr. Lam requesting that he complete the extensive questionnaire now being sent to all brokers and promising to meet with him as agreed in our response to the Human Rights Commission.

   By week end a letter will be sent to all current managers, advising them of the City's policy on the use of women and minority-owned firms.

   Ms. Murphy discussed the fact that many of our current managers do use minority brokers but this is not readily apparent from the composite reports the System receives.

3. Ms. Murphy discussed her attendance at the New York University Real Estate Conference and updated the Board on the current status of the proposed SEC regulations regarding the commercial real estate industry.

4. Ms. Murphy advised the Board that Mr. David Dietz, a staff reporter for the Chronicle, has been reviewing Retirement System's records. He has requested all Statements of Economic Interest and travel reports for Board members and senior staff. Mr. Dietz has also contacted other public agencies requesting the same information.

There being no further business the Board adjourned its meeting at 7:20 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, June 9, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, May 26, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. a. VOLUNTARY RETIREMENT BOARD LIST NO. 23-91

   b. PROP A VOLUNTARY SERVICE RETIREMENT LIST.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Jose Echamendi $20,000.00

   b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Sherry D. Walker $10,195.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   June Price $9,258.76

   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Robin Racelo $1,042.46

   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Johnny Velasquez $7,500.00

4. HEARING DECISIONS:

   a. Lawrence R. Grube
   2907 Sr. Eligibility Worker - Social Services
   Ordinary Disability Retirement/Prop A
   Effective Date: April 1, 1992 Granted

   b. Charles Gutierrez, Jr.
   9139 Transit Supervisor - Muni Railway
   Ordinary Disability Retirement
   Effective Date: April 1, 1992 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Patrick J. Griffin

   b. Dennis Reed

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

1. REQUEST TO PURCHASE PRIOR SERVICE: DENIS SHALLOO

   The Retirement Board and Mr. Shalloo's attorney agreed to hear the request de novo.

   Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board regarding Denis Shalloo's request to purchase his prior service. Denis Shalloo and his attorney Gregor D. Guy-Smith also made oral presentations to the Board. The Board reviewed and discussed the request and engaged in question and answer session with staff and Mr. Shalloo.

   ACTION: It was moved by Wong, seconded by Breall to accept staff' recommendation to deny the request of Mr. Denis Shalloo t purchase prior service; motion passed, 6-0.

Note: Commissioner Breall arrived at the beginning of Regular Calendar Item #1.

2. REQUEST AUTHORIZATION TO RENEW THE ST. FRANCIS HOSPITAL CONTRACT FOR TREATMENT OF WORKERS COMPENSATION INJURIES FOR FY 1992-93.

   Rudy Hernandez, Deputy General Manager, and Brian Narlock, Claims Manager, presented a written and oral request to the Board to authorize renewal of the St. Francis Hospital contract for treatment of workers compensation injuries. The Board reviewed and discussed the request and engaged in a question and answer session with staff.

   ACTION: It was moved by Breall, seconded by Driscoll to authorize staff to renew the St. Francis Hospital contract for treatment of workers' compensation injuries; motion passed, 6-0.

3. REQUEST TO WITHDRAW FUNDS FROM THE DEFERRED COMPENSATION PROGRAM.

MIGUEL COSIO, JR.

Pam Levesque, Executive Assistant, presented a written and oral report to the Board regarding Miguel Cosio's request to withdraw funds from the deferred compensation program. Miguel Cosio, Jr. also made an oral request to the Board.

The Board reviewed and discussed the request and engaged in a question and answer session with staff and Mr. Cosio.

ACTION: It was moved by Meiberger, seconded by Gibson to adopt staff's recommendation to deny Miguel Cosio's request to withdraw funds from the Deferred Compensation Program; motion passed, 7-0.

NOTE: Supervisor Kevin Shelley arrived during the discussion of Regular Calendar Item #3.

Commissioner Ashe welcomed Supervisor Shelley to the Retirement Board.

4. REQUEST TO WITHDRAW RETIREMENT CONTRIBUTIONS: JOHN WINGHAM.

Dan Maguire, Deputy City Attorney, and Kieran Murphy, Actuary, presented a written and oral report to the Board regarding John Wingham's request to withdraw his retirement contributions. Mr. and Mrs. Wingham made their request to the Board and answered questions of the Board.

The Board reviewed and discussed the request and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to continue this item; motion passed, 6-0.

Note: Supervisor Shelley was absent for the vote on the above matter.

CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Sections 54950 et. seq., the Retirement Board met in closed session to discuss a potential litigation matter. The Board returned to open session and announced they had taken the following action.

ACTION: The Board voted unanimously to accept the Hearing Officer Decision for the Determination application of Thomas Cady.

NOTE: Supervisor Shelley left after the Closed Session.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1992.

Terry Ahern, a representative of The Townsend Group, presented a written and oral report to the Board on the real estate performance for the quarter ended March 31, 1992. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: No action was taken. This was an informational item only.

2. EXTERNAL MANAGER PRESENTATION:

o CB Commercial Real Estate

Representatives from the above firm, presented their annual written and oral report to the Board on their investment performance for the quarter ended March 31, 1992.

ACTION: No action was taken. This was an informational item only.

3. REPORT ON IMR FUND.

Gary Hiatt, Portfolio Manager, and Alicia Cooney, a representative of Lewis, Bailey Associates, presented written and oral reports regarding a potential investment in the IMR Fund. The Board reviewed and discussed the report and engaged in an extensive question and answer session with staff and consultant concerning the IMR Fund.

ACTION: No action was taken.

NOTE: Dr. Breall left the meeting after discusssion of Investment Calendar Item #3.

4. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED MARCH 31, 1992.

Jack Montgomery, Portfolio Manager, distributed and the Board accepted a written report on the international fixed income managers performance for the quarter ended March 31, 1992.

5. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED MARCH 31, 1992.

Carolyn Hamilton, Portfolio Manager, distributed and the Board accepted a written report on the international equity managers performance for the quarter ended March 31, 1992.

6. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes:

No proxy votes were presented.

b. A list of meetings conducted by Investment staff during the month of May was distributed to the Board.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Wong to hear the Supplemental Calendar; motion passed, 4-0.

Note: Commissioner Gibson was absent at the time of this vote.

ITEM:

1. REQUEST FOR ADJUSTMENT OF RETIREMENT ALLOWANCE: JOHN PUCCINELLI

ACTION: The Board voted unanimously to adjust John Puccinelli's industrial disability retirement allowance to 55%.

2. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. Donna J. Briggs

b. Lawrence M. Ross

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the Supplemental Calendar with modification to Item 2.b., Lawrence M. Ross, wherein the Board approved withdrawal in the amount of $7,463; motion passed, 5-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the deferred compensation presentations. Ms. Murphy suggested that a special meeting be held on July 8 to schedule presentations from the finalists. Board members will notify Ms. Murphy of their availability.

2. Ms. Murphy distributed information concerning the CALAPRS Pension Fund Investing course for trustees which will be held on August 17-19 at U.C.L.A.

3. Ms. Murphy discussed her attendance at the Finance Committee meeting.

There being no further business the Board adjourned its meeting in appreciation and congratulations for many years of service to Mary Ghiorso who retired under the Early Retirement Program at 8:20 p.m.

Respectfully Submitted:

Clare M. Murphy

Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

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M E M O R A N D U M

DATE: June 19, 1992

TO: Retirement Board

FROM: Clare M. Murphy
General Manager

SUBJECT: Prospective Retirement Board Meeting Schedule and Topics
6 Month

Date	Time	Tentative Topics
6/30/92	1:30 p.m.	Regular Meeting Deferred Compensation Report Reviewco Contract
7/8/92	12:30 p.m.	Special Meeting Deferred Compensation Presentations
7/14/92	1:30 p.m.	Regular Meeting Deferred Compensation Report Workers Compensation TPA RFP Charter Amendments Diversity Policy Review
7/28/92	1:30 p.m.	Regular Meeting Workers Compensation Annual Billing Report Charter Amendments Semi-Annual Travel Expense Report Tri-Annual Real Estate Presentation
8/11/92	1:30 p.m.	Regular Meeting Total Portfolio Performance Report Quarterly Domestic Investment Reports Asset Allocation
8/25/92	1:30 p.m.	Callan Associates External Manager Presentations Alternative Investment Presentation

Date	Time	Tentative Topics
9/8/92	1:30 p.m.	Deferred Compensation Annual Report Quarterly Real Estate Performance Report External Manager Presentation Quarterly International Investment Reports
9/29/92	1:30 p.m.	Annual Report Alternative Investment Presentation
10/13/92	1:30 p.m.	Regular Meeting Workers Compensation TPA Vendor Presentations
10/27/92	1:30 p.m.	Regular Meeting Workers Compensation TPA Vendor Selection Asset Allocation Report
11/10/92	1:30 p.m.	Regular Meeting FY 91-92 Actuarial Experience Analysis Total Portfolio Performance Domestic Investment Quarterly Reports Asset Allocation
11/24/92	1:30 p.m.	Regular Meeting Callan Associates Presentation External Managers Presentations Semi-Annual Alternative Investment Report
12/8/92	1:30 p.m.	Regular Meeting Quarterly Real Estate Performance Report Real Estate Manager Presentation Alternative Asset Presentation Quarterly Report on International Investments Setting of FY 93-94 Contribution Rates
12/29/92	1:30 p.m.	CANCELLED

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, June 30, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
Absent:	Bonnie K. Gibson	Commissioner
	Clare Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, June 9, 1992

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CONSENT CALENDAR

The following items were presented under the Consent Calendar:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 24-91.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Eduardo A. Barra Salas $10,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

John R. Matulay $ 2,000.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Glenn L. Ghiselli $ 2,183.30

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Daniel Jackson $ 3,968.08

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Richard Pfaeffle $ 9,096.74

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Mercy L. Zamora $ 2,037.27

4. HEARING DECISIONS:

a. Bernetta E. Adolph
9139 Transit Supervisor - MUNI
Ordinary Disability Retirement
Effective Date: April 1, 1991 Granted

b. Karimah Ali
8304 Deputy Sheriff - Sheriff Department
PERS
Effective Date: June 9, 1992 Granted

c. Angelo Calvo
7346 Painter - Port
Ordinary Disability Retirement — Denied

d. Robert E. Krause
Deputy Sheriff - Sheriff's Department
PERS — Denied

e. Gilberto A. Martinez
7306 Automotive Body and Fender Worker - MUNI
Ordinary Disability Retirement — Denied

f. David A. Myhre
1840 Jr. Management Assistant - City College
Ordinary Disability Retirement
Effective Date: May 16, 1992 — Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

a. Barry D. Frank

b. Richard I. Johnson

c. Carl B. Morgan

d. Alejandro V. Sausa

6. APPLICATIONS FOR BIRTHDATE CORRECTION:

a. William J. Carmody

b. Gloria C. Pinell

ACTION: It was moved by Breall, seconded by Driscoll to adopt the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

1. REQUEST FOR REINSTATEMENT TO THE OLD PLAN:

MARGERY L. WONG

Clare Murphy, General Manager, presented a written report to the Board on the request of Margery L. Wong to be reinstated to the Old Plan. Ms. Wong was present at the meeting.

Commissioner Ashe requested the Board to table Ms. Wong's request until the 30 day appeal period before the Civil Service Commission had passed.

ACTION: It was moved by Driscoll, seconded by Meiberger to table Margery Wong's request for reinstatement to the Old Plan to the next available Board meeting; motion passed, 5-0.

2. REQUEST TO RETIRE UNDER PROPOSITION A WITH SPECIAL ENHANCEMENTS:

ED FONG

Clare Murphy, General Manager, presented a written report to the Board on Ed Fong's request to retire under Proposition A.

Ed Fong requested by letter dated June 25, 1992 to withdraw his request.

The Board discussed the issues presented in Ed Fong's request.

ACTION: The request was withdrawn.

3. REQUEST TO RESCIND RETIREMENT AND RETIRE UNDER PROPOSITION A:

THERESA HORTON

Clare Murphy, General Manager, presented a written and oral report to the Board on Theresa Horton's request to rescind her retirement and retire under Proposition A.

Theresa Horton and Helen Moss of Local 790 were present and made presentations to the Board.

The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to decline staff's recommendation and allow Ms. Horton to rescind her retirement, return all retirement payments through June 30, 1992 and retire under the provisions of the Proposition A window; motion passed, 4-1. (Driscoll)

4. REQUEST TO RETIRE UNDER PROPOSITION A EARLY RETIREMENT PROGRAM:

JOSEPH E. ARCHER

Clare Murphy, General Manager, presented a written and oral report the Board on Joseph E. Archer's request to retire under the Proposition A Early Retirement Program. Joseph Archer and Linda Jofuku of Local 21 were present and made a presentation. The Board reviewed and discussed the report and engaged in a question and answer session with staff. Dr. Breall recommended the Board review complete medical history before making a decision.

ACTION: It was moved by Driscoll, seconded by Breall to table this item until more medical information will be received from Dr. Arthur Cerf.

5. REQUEST AUTHORIZATION TO RENEW THE WORKERS' COMPENSATION REVIEWCO CONTRACT.

Rudy Hernandez, Deputy General Manager, presented a written and ora request to the Board to renew the Workers' Compensation Reviewco contract. The Board reviewed and discussed the request and engaged in a question and answer.

ACTION: It was moved by Driscoll, seconded by Breall to accept staff's recommendation to modify the Reviewco contract to include membership in Reviewco's Preferred Provider organization; motion passed, 5-0.

NOTE: The Board took the calendar out of normal order and recognized the presence of representatives from the Retired Employees Association.

PUBLIC COMMENT

Mr. Robert Scrimgeour and Mr. Joseph McElligott of the Retired Employee Association distributed a letter to the Board members in support and appreciation to the Board and Clare Murphy for their management of the Retirement System.

Note: The Board resumed discussion of the Regular Calendar.

6. REQUEST TO ADJUST INDUSTRIAL DISABILITY RETIREMENT ALLOWANCE (BALLOT VOTE REQUIRED):

THOMAS J. SANTORO

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board regarding the request from Thomas J. Santoro to adjust his industrial disability retirement allowance. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

Commissioner Driscoll requested to recuse himself from voting on this item.

ACTION: 1. It was moved by Meiberger, seconded by Breall to recuse Commissioner Driscoll from voting on this item; motion passed, 5-0.

2. The Board unanimously voted to adjust Thomas J. Santoro's industrial disability retirement allowance from 50% to 60%. (Commissioner Driscoll recused.)

7. REPORT ON SELECTED DEFERRED COMPENSATION PROVIDERS.

Pam Levesque, Executive Assistant, presented a written and oral report to the Board regarding selected deferred compensation service providers. The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to request the following companies to make oral presentations to the Board regarding deferred compensation program services on July 8, 1992:

Aetna Life Insurance and Annuity Company
Fidelity Management Trust Company
Great-West Life & Annuity Insurance Company
The Hartford Asset Management Services
The Variable Annuity Life Insurance Company (VALIC)

Motion passed, 5-0.

NOTE: Supervisor Kevin Shelley arrived during the discussion of this item and left to attend the Board of Supervisors Finance Committee meeting prior to the vote.

8. REQUEST AUTHORIZATION FOR STAFF TO ATTEND THE SOCIETY OF ACTUARIES CONFERENCE TO BE HELD ON OCTOBER 25 THROUGH OCTOBER 29, 1992 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and oral report on this issue. At Supervisor Shelley's request, Ms. Murphy also summarized his concerns regarding the public's perception of travel in light of the City's financial condition, recommending a limit of not more than one person to travel to each event and to restrict hotel expenses. The Board engaged in a question and answer session followed by review and discussion.

ACTION: It was moved by Breall, seconded by Meiberger to approve this request. Mr. Kieran Murphy agreed to make an oral or written report regarding his attendance at the conference. Motion passed, 5-0.

9. REQUEST AUTHORIZATION FOR BOARD MEMBER TO ATTEND THE CALAPRS/IFE PENSION FUND INVESTING COURSE TO BE HELD ON AUGUST 17 THROUGH AUGUST 19, 1992 AND VISIT BANKERS TRUST COMPANY AND TRUST COMPANY OF THE WEST ON AUGUST 20, 1992 IN LOS ANGELES.

Clare Murphy, General Manager, presented a written and oral report on this item, which was followed by a question and answer period and Board discussion.

ACTION: It was moved by Breall, seconded by Driscoll, to accept staff recommendation on the request for authorization for Herb Meiberger to attend the conference, noting that a written summary will be forthcoming following conference attendance; motion passed, 5-0.

INVESTMENT CALENDAR

1. CHIEF INVESTMENT OFFICER'S REPORT.

   a. Proxy Votes:

      No proxy votes were presented.

   b. Ken Shaffer, Chief Investment Officer, reported that Christina Seix is leaving Mackay Shields. Ravi Akhoury will be the new Chief Executive Officer, and Mr. Shaffer will be meeting with Mr. Akhoury next week.

   c. Mr. Shaffer discussed his attendance at the IFE Market Makers Conference.

   d. Mr. Shaffer discussed his attendance at the International Investment Conference in New York.

e. Mr. Shaffer noted the investment items on the Forward Calendar and discussed additional issues on which the investment staff is currently working, including:

The Index Fund

Custodial Bank Review

Review of Alternative Investments.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, presented the General Manager's Report.

1. Ms. Murphy discussed the departure of Helen Moss, Business Representative, Local 790, to take a position in Portland, Oregon.

2. Ms. Murphy discussed the Forward Calendar with the Retirement Board. The Board agreed to the recommended forward schedule and the cancellation of the last meeting of the year.

3. Ms. Murphy reported on her attendance at the Finance Committee's Budget Hearing.

4. Ms. Murphy discussed her meeting with key MFAC representatives, Mr. Lee Munson, Mr. Roy Nordman and Ms. Gwenn Hardin. Mr. Munson promised to provide a summary which has not been provided. The final report will be provided to the Retirement Board when it is published.

5. Ms. Murphy discussed the introduction of The Hartford's addition of the new 20th Century Funds. If Hartford retains the Deferred Compensation Program account, they will introduce the new fund after the review is completed.

6. Ms. Murphy reported that staff will be meeting with Mr. Dick Lam of Lam Securities later in the week to review his completion of the brokerage questionnaire.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Breall, to hear the Supplemental Calendar; motion passed, 4-0

Note: Commissioner Meiberger was absent at the time of this vote

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

Guillermo Carbadillo $ 7,500.00

2. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Anne F. Harrington $ 6,603.8

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Wallace Johnson $ 4,750.0

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

John McGee $ 136.4

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Glen Scales $10,305.6

e. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

Mary Jean Stalions $ 7,750.0

3. HEARING DECISIONS:

a. Russell V. Meier
8158 Investigator II - District Attorney
Ordinary Disability Retirement
Effective Date: August 1, 1991 Granted

b. Angel Ornelas
9163 Transit Operator - MUNI
Ordinary Disability Retirement/Prop A
Effective Date: March 1, 1992 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Oscar C. Cabangis, Jr.

   b. Shirley A. Moore

   c. Brad Nicholson

   d. Donna Tyree

ACTION: It was moved by Driscoll, seconded by Wong to adopt the Supplemental Calendar; motion passed, 5-0.

BOARD MEMBERS

1. Commissioner Driscoll requested the Chief Investment Officer, Ken Shaffer, to provide the new organizational structure for Lehndorff & Babson at his earliest convenience.

2. Commissioner Driscoll suggested that in light of the Board's decision on the Horton matter, rules should be adopted for mailing notices to employees when a subject matter requires action by the employee.

3. Commissioner Driscoll stated that he will be willing to assist staff in making flow charts on the types of decisions to be made to complete the Deferred Compensation project.

4. At the request of Board President Peter Ashe, Kieran Murphy, Retirement System's Actuary, informed the Board that the budget analyst office is looking at how the Retirement Board set retirement contribution rates. This may lead to further requests to review the City contribution rates for 1992-93.

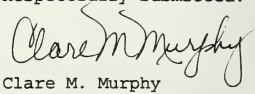
5. Commissioner Wong discussed the Lam Securities vs. SFERS case. Staff informed the Board that they will meet with Dick Lam on Wednesday, July 1, 1992.

6. Commissioner Ashe reported his attendance at the Council of Institutional Investors investment meeting where executive compensation was discussed as the main issue. He also discussed his attendance at the International Business Forum's Annual Investment Management Conference which was held in Washington, D.C.

7. Commissioner Breall requested the Mayor's Office be informed of current Board members for notification of events such as the Roast of Mayor Jordan.

There being no further business the Board adjourned its meeting at 6:30 p.m.

Respectfully Submitted:



Clare M. Murphy
General Manager

NOTE: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

SPECIAL MEETING

TUESDAY, July 8, 1992

12:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice-President
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Joseph D. Driscoll	Commissioner
	Kevin F. Shelley	Supervisor

Clare Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

REGULAR CALENDAR

ITEM:

1. PRESENTATIONS BY SELECTED DEFERRED COMPENSATION SERVICE PROVIDERS:

Written and oral presentations were made by representatives of the firms listed below. Board members and staff engaged in questions and answers with those representatives.

Firms which made presentations:

Aetna Life Insurance & Annuity Company
Fidelity Management Trust Company
Great West Life
The Hartford
VALIC

NOTES: Commissioner Gibson arrived during the Great West Life presentation.

Commissioner Wong left during VALIC presentation.

PUBLIC COMMENTS

Captain Michael Hebel made an oral presentation to the Board regarding certain criteria the San Francisco Police Officers Association would like the Board to consider when making the selection for a deferred compensation service provider.

There being no further business the Board adjourned its meeting at 7:00 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

NOTE: A tape recording of this meeting was made by Nancy MacNair.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, July 14, 1992

1:30 p.m.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, June 30, 1992 and Minutes of Special Meeting, July 8, 1992.

ACTION: Approved as Submitted.

Retirement Board

Regular Meeting, July 14, 1992

CONSENT CALENDAR

The following items were presented:

Item

1. VOLUNTARY RETIREMENT BOARD LIST NO. 1-92.

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Melvin Smith $ 1,750.00

3. HEARING DECISIONS:

   a. Roger E. Foge
      Q-2 Police Officer - Police Department
      Industrial Disability Retirement/Stipulation Denied

   b. Christina Torres-Tsiliacos
      Q-2 Police Officer - Police Department
      Industrial Disability Retirement Denied

4. PETITION FOR REHEARING:

   Cora E. Oryall
   Q-2 Police Officer - Police Department
   Industrial Disability Retirement Denied

ACTION: It was moved by Driscoll, seconded by Breall to adopt the Consent Calendar; motion passed 5-0.

REGULAR CALENDAR

1. REQUEST TO RETIRE UNDER PROPOSITION A EARLY RETIREMENT PROGRAM:

JOSEPH E. ARCHER

Clare Murphy, General Manager, presented a written and oral report to the Board on the request of Joseph E. Archer to be allowed to retire under the provisions of Proposition A. Mr. Archer was present at the meeting.

Commissioner Breall stated that he spoke with Mr. Archer's physician, Dr. Cerf, who maintained Mr. Archer was in no mental condition to express a desire to retire at the time of the Proposition A window period.

Ms. Murphy informed the Board that, should Mr. Archer's request be granted, it will be necessary for him to restore to the City pay received for the period overlapping his Proposition A retirement date prior to receiving his retirement check, and that the actual amount in question and associated calculations will be the responsibility of Mr. Archer's department to determine.

ACTION: It was moved by Breall, seconded by Driscoll, to approve Mr. Archer's request to retire under the provisions of Proposition A effective March 29, 1992; motion passed, 5-0.

2. HEARING OFFICER DECISION:

Theodore A. Schlink III
Q-2 Police Officer - Police Department

Industrial Disability Retirement	Denied
Determination	Granted
Effective Dates:	June 1990 to December 1990

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board regarding the City Attorney's request to apply for a Petition for Rehearing, regarding the determination granted by the hearing officer. He stated that additionally the applicant will petition for rehearing.

The Board reviewed and discussed the issue and engaged in a question and answer period with staff.

ACTION: It was moved by Breall, seconded by Meiberger to accept staff's recommendation and file a Petition for Rehearing regarding the temporary disability determination issues; motion passed, 4-1 (Driscoll).

3. REQUEST TO FILE A NON-INDUSTRIAL DISABILITY RETIREMENT APPLICATION:

RICHARD BECKWITH

Pam Levesque, Executive Assistant, presented a written and oral report to the Board on the request to file a non-industrial retirement application for Mr. Beckwith.

The Board reviewed and discussed the report and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Driscoll to accept staff's recommendation to file a non-industrial retirement application for Mr. Beckwith; motion passed, 5-0.

5. DIVERSITY POLICY REVIEW

Pam Levesque, Executive Assistant, presented a written and oral report to the Board regarding the draft Diversity Policy Statement.

The Board reviewed and discussed the report and the proposed draft policy statement and engaged in a question and answer period.

Clare Murphy, General Manager, emphasized that the policy statement distributed to the Board was currently in its draft stage and requested active Board participation and input in its continuing refinement. She stated that staff will provide to the Board copies of the policy statements from other City departments.

No action was taken on this item; it was an information item only.

8. REQUEST AUTHORIZATION FOR STAFF TO CONDUCT AN ON-SITE DUE DILIGENCE VISIT WITH WESTON PRESIDIO CAPITAL AND THREE PRIVATE EQUITY FIRMS IN BOSTON, MASSACHUSETTS ON JULY 29 THROUGH JULY 31, 1992.

[Commissioner Gibson arrived at the beginning of this calendar item.]

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the request, and a question and answer period with staff followed.

ACTION: It was moved by Breall, seconded by Gibson to approve staff's request for authorization to conduct on-site due diligence with Weston Presidio Capital and three private equity firms in Boston, MA, July 29-31, 1992; motion passed, 5-1 (Meiberger).

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Driscoll to hear the Supplemental Calendar; motion passed, 5-0 (Commissioner Gibson was out of the room during this vote).

Item:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE

	Joseph Chevalier	"Restored Sick Pay"

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

a.	Willie Johnson	$8,775.86
b.	Barbara Jones	$1,750.00
c.	James D. Stewart	$1,122.56
d.	Roger Varela	$10,000.00

ACTION: It was moved by Breall, seconded by Driscoll to adopt the Supplemental Calendar; motion passed 5-0 (Commissioner Gibson was out of the room during this vote).

4. RECOMMENDATION FOR FINAL SELECTION OF DEFERRED COMPENSATION PROVIDERS

[Supervisor Shelley arrived at the beginning of this calendar item.]

Pam Levesque, Executive Assistant, presented a written and oral report regarding staff's recommendation for final vendor selection. Staff recommended that the Board authorize staff to begin negotiations with The Hartford.

The Board reviewed and discussed the report and engaged in a question and answer period with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger that staff begin negotiations with The Hartford to provide a deferred compensation program while addressing the following issues:

1. Verification of the General Account rates
2. Verification of the Annuity rates
3. Establishment of a timetable for delivery of an improved employee education program to include but not be limited to investment decision and distribution decision which should include video and hardcopy educational materials.
4. To establish a cost recovery mechanism for reimbursement to SFERS for SFERS staff, an independent audit and a periodic investment and services performance measurement review.
5. Fee Reductions
6. The Term of the Contract
7. New Transfer of Asset clauses
8. Criteria for selecting and monitoring non-competing investment options.

The motion passed, 7-0.

7. REPORT ON CHARTER AMENDMENTS PROPOSED FOR NOVEMBER 1992 BALLOT

[Commissioner Ashe left during this calendar item.]

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board engaged in a question and answer session concerning the two Charter Amendments already submitted by the Board of Supervisors to the voters.

ACTION: It was moved by Shelley, seconded by Driscoll to support the passage of the *Ad Hoc* Retiree Pension Increase Charter Amendment; motion passed 7-0.

ACTION: It was moved by Shelley, seconded by Driscoll to support the passage of the Charter Amendment relating to the Coordination of Retirement Benefits for Safety and Miscellaneous Employees; motion passed 7-0.

Kieran Murphy then presented an oral report concerning possible charter amendment(s) relating to the funding of the unfunded liability of the pension plan. The Board and staff engaged in a question and answer session concerning the Budget Analyst's draft report, staff actuaries recommendation, the calendaring of this item, and the role of the Board as implementor of law vs. proposer of policy or plan design. This item will be calendared for further consideration on the July 28, 1992 meeting agenda.

6. REQUEST FOR PROPOSAL FOR WORKERS COMPENSATION THIRD PARTY ADMINISTRATOR

[Supervisor Shelley left at the beginning of this item.]

Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board on the request for proposal for a workers' compensation third party administrator.

The board reviewed and discussed the presentation materials and engaged in a question and answer period.

ACTION: It was moved by Meiberger, seconded by Breall that the Board adopt staff's recommendation of setting up the RFP to workers' compensation providers with the following admendments:

- Outside investigators will be chosen from a pre-approved list (page 5);
- Number of finalists will be determined by the Retirement Board (page 13);

- Addition of non-refundable deposit of $15,000.00 required of selected firm to assist in contract negotiations (page 17).

Motion passed; 5-0.

INVESTMENT CALENDAR

1. CHIEF INVESTMENT OFFICER'S REPORT

   a. Proxy Votes:

      No proxy votes were presented.

   b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by the Investment Staff during the month of June.

   c. Mr. Shaffer has extended the deadline for firms to respond to the brokerage questionnaire.

   d. Mr. Shaffer distributed and discussed the Axe Houghton Management brochure.

   e. Mr. Shaffer distributed and discussed a Lehndorf & Babson organizational chart.

   f. Mr. Shaffer reported that Christina Seix, formerly president and CEO of Mackay Shields, has opened her own investment management firm and so far has three clients.

GENERAL MANAGER'S REPORT

Clare M. Murphy presented the following items in the General Manager's Report.

1. The State of California budget situation remains unresolved; there may be a reduction of funds to San Francisco City and County of approximately $40 million.

2. Materials from California for Pension Protection were distributed and discussed.

3. Mr. James McComsey, of Nicholas Applegate, requested an opportunity to meet with the Board to introduce the firm's new marketing manager. The Board indicated Mr. McComsey should contact members directly.

4. Ms. Murphy recognized the 8+ years of service and contributions of Pam Levesque, Executive Assistant, who will be leaving this Friday, July 17, 1992, to take a position with Bankers Trust Company.

BOARD MEMBERS

1. Commissioner Driscoll discussed the rap song, *Cop Killer*, by Ice-T and distributed by Time-Warner. Commissioner Driscoll requested that this be calendared for the July 28, 1992 meeting so that the Board could direct appropriate action as shareholders of Time-Warner stock.

There being no further business, the Board adjourned its meeting with thanks, good wishes and many happy returns to Pam Levesque at 6:45 p.m.

Respectfully Submitted:

Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, July 28, 1992

1:30 p.m.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of Regular Meeting, July 14, 1992.

ACTION: Approved as Submitted.

Retirement Board

Regular Meeting, July 28, 1992

Consent Calendar

The following items were presented:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 2 - 92.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Josef M. Beliso $ 8,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Anthony Bishop $ 22,500.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Leon Cathey $ 46,000.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

George Lennie $ 12,500.00

e. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Laura G. Otis $ 15,000.00

3. HEARING DECISIONS:

a. Patrick J. Coleman
H-2 Fire Fighter - Fire Department
Determination Denied

3. b. Paul D. Gossman
0380- Inspector - Police Department
Industrial Disability Retirement
Effective Date: November 1, 1992 Granted

c. Robert Harris
8223 Housing Authority Police Sergeant - Police Department
PERS Disability Retirement Denied

d. Sandy Kelly
7450 - Shade and Drapery Worker - SFGH
Ordinary Disability Retirement
Effective Date: February 1, 1992 Granted

e. Marc Lichtenberg
8158 Family Investigator - District Attorney's Office
Ordinary Disability Retirement
Effective Date: May 1, 1992 Granted

f. John G. Mandas
H 40 Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation Denied

g. Manuel Palmares
2604 - Food Service Worker - Laguna Honda Hospital
Ordinary Disability Retirement
Effective Date: February 1, 1992 Granted

h. Nancy Rose
1820 Senior Administrative Analyst - Recreation and Parks Department
3284 Recreation Director - Recreation and Parks Department
Ordinary Disability Retirement
Effective Date: March 28, 1992 Granted

i. John L. Wingham
1914 - Film Technician - SFUSD
Ordinary Disability Retirement
Effective Date: March 28, 1992 Granted

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN.

Ann Walls

ACTION: It was moved by Gibson, seconded by Breall to adopt the Consent Calendar; motion passed 6-0.

REGULAR CALENDAR

1. REQUEST FOR REINSTATEMENT TO THE OLD PLAN: MARGERY L. WONG.

Maria Newport, Administrator, Retirement Services, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board regarding the request of Margery L. Wong to be reinstated under the provisions of the Old Plan. Neither Ms. Wong nor her counsel was present at the meeting.

The Board reviewed and discussed this item and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger, to deny Ms. Wong's request for reinstatement into the Old Plan; motion passed 4 - 2 (Ashe, Driscoll).

2. WORKERS' COMPENSATION ANNUAL BILLING REPORT.

Brian Narlock, Acting Division Manager, Workers' Compensation Division, presented a written and oral report to the Board regarding the annual billing report of Reviewco, the company which audits Workers' Compensation bills for medical services.

The Board reviewed and discussed the material presented and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. RETIREMENT SYSTEM TRAVEL EXPENSES REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 1992.

Clare M. Murphy, General Manager, presented a written and oral report to the Board on Retirement System Travel Expenses for the Fiscal Year ended June 30, 1992.

The Board reviewed and discussed the material presented and engaged in a question and answer session with staff. Commissioner Gibson suggested that the Board reexamine its travel policy and developing stringent fiduciary education guidelines. The Board discussed reporting by staff and Board members on travel.

This was an information item only; no action was taken.

4. ON-SITE DUE DILIGENCE MEETING WITH MADISON DEARBORN CAPITAL PARTNERS AND ZELL-CHILMARK FUND, CHICAGO, ILLINOIS, AUGUST 20-21, 1992.

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed this due diligence travel request, and engaged in a question and answer period with staff. Commissioner Driscoll requested an accounting of Lewis Bailey charges for on-site visits to Madison Dearborn.

ACTION: It was moved by Breall, seconded by Wong to approve the request for an on-site due diligence meeting with Madison Dearborn Capital Partners and the Zell-Chilmark Fund in Chicago, Illinois, August 20-21, 1992; motion passed 6-0.

5. RESOLUTION CONGRATULATING PAM LEVESQUE ON THE OCCASION OF HER DEPARTURE FROM CITY SERVICE.

Clare M. Murphy, General Manager, presented an oral report and a resolution commending Ms. Levesque for her years of service to the department.

Board members discussed Ms. Levesque's many merits and contributions.

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the resolution commemorating Ms. Levesque; motion passed 6-0.

The Board requested that a copy of the transcripts relative to this issue be forwarded to Ms. Levesque, along with the Resolution.

6. UPDATE ON THE NEGOTIATION OF DEFERRED COMPENSATION PROVIDER CONTRACT.

Clare M. Murphy, General Manager, presented an oral report to the Board on the progress-to-date with the various firms bidding to assist the Retirement System in its contract negotiations with The Hartford for Deferred Compensation Program services, indicating that the process so far has generated contract issues in addition to those listed identified at the previous Board Meeting. She indicated that she would continue to provide updates to the Board while the matter is pending.

This was an information item only; no action was taken.

7. REVIEW OF FUNDING OF UNFUNDED LIABILITY AND EMPLOYER CONTRIBUTION RATES FOR FY 1992-1993.

[Supervisor Shelley arrived at the commencement of this item.]

Kieran Murphy, Actuary, presented a written and oral report to the Board on the issues of 1) reimbursing the City for its overpayment due to an actuarial programming error which spanned the 1988-1989 and 1991-1992 fiscal years, and 2) a proposal to reexamine the actuarial rates established for the 1992-1993 Fiscal Year. Mr. Murphy was assisted in his presentation by Ira Summer, Actuary, Towers Perin and by Dan Maguire, Deputy City Attorney

The Board reviewed and discussed the proposals and engaged in a question and answer period with staff. Edward Harrington, Controller, and Teresa Serata, Mayor's Office, commented on the matter.

ACTION: It was moved by Shelley, seconded by Meiberger to accept staff's recommendations on both items of the proposal; motion passed 7-0.

[Supervisor Shelley left after this item. Commissioner Ashe left the meeting after this item, surrendering the chair to Commissioner Wong.]

8. REVIEW OF PROPOSED CHARTER AMENDMENTS.

Kieran Murphy, Actuary, presented a written and oral report to the Board on proposed Charter Amendments to be included on the upcoming November ballot.

The Board reviewed and discussed the amendments and engaged in a question and answer period with staff.

This was an information item only; no action was taken.

INVESTMENT CALENDAR

[Commissioner Ashe returned to the meeting at the commencement of the Investment Calendar.]

1. TRI-ANNUAL REAL ESTATE PRESENTATION.

Terry Ahern and Michael Humphrey of the Townsend Group, made a written and oral presentation to the Board regarding the real estate portfolio for the period of 1989 to the present, specifically, changes in the portfolio mix, amended performance benchmarks, and managerial procedural changes.

The Board reviewed and discussed the materials presented and directed Mr. Ahern to proceed with a proposal regarding future real estate investment options. The Townsend Group will return with a finalized strategic plan and a recommended investment plan at a future meeting.

This was an information item only; no action was taken.

2. CONSIDERATION OF COMMUNICATION TO TIME-WARNER CONCERNING *COP KILLER* RAP SONG BY ICE-T.

Clare M. Murphy, General Manager, and Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item. In addition, a news report on Ice-T's decision to withdraw *Cop Killer* from sale was distributed.

The Board reviewed and discussed the issue of policy regarding conflict between the activities of an entity represented in the System's portfolio and the welfare of the System's membership.

While no action was taken on this item, Commissioner Driscoll stressed the need for the Board to be ready to take action in similar cases in the future.

3. IMR FUND, L.P.

This item was taken off calendar.

4. CHIEF INVESTMENT OFFICER'S REPORT.

a. Proxy Votes:

No proxy votes were presented.

4. b. Kenneth L. Shaffer, Chief Investment Officer, and Gary Hiatt, Portfolio Manager, discussed the jury decision against First Reserve, a fund manager with whom we have an alternative investment. Mr. Hiatt stated that the case does not involve the particular fund in which the Retirement System is committed, and noted that the judge has not yet affirmed the jury award. Commissioner Ashe suggested the suspension of further drawdown, and Commissioner Driscoll requested that Mr. Hiatt provide the Board with a worst case scenario for the partnership. Mr. Hiatt indicated that this would be forthcoming.

c. Mr. Shaffer reported that there has been an "amicable parting" between Aaral Pacific Fund's general partners. No additional information is available at this time. Mr. Shaffer will update the Board as information is available.

d. Mr. Shaffer discussed amendments to the Retirement System's brokerage policy regarding confidentiality of the System's investments and trades with brokerage vendors. A revised policy will be presented to the Board and a letter will be sent to current vendors and the Human Rights Commission regarding the System's confidentiality policy.

Supplemental Calendar

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Wong, seconded by Gibson to hear the Supplemental Calendar; motion passed, 6-0.

ITEM

1. PETITION FOR REHEARING:

Kenneth M. Esposto
Q-35 Assistant Inspector - Police Department
Determination — Denied

2. REQUESTS TO WITHDRAW FUNDS FROM THE DEFERRED COMPENSATION PLAN:

   a. Robert R. Bonnet

   b. Guy Crouch

   c. Lorenzo D. Ursua

   ACTION: It was moved by Driscoll, seconded by Wong to adopt the Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy presented the following items in the General Manager's Report:

1. The Mayor's office is closely monitoring the State budget crisis in Sacramento. She stated that it currently appears resolution is at least two weeks away, and that the City faces a revenue shortfall of between $80 million and $145 million, possibly in a single year period.

2. The Diversity Plan awaits further Board input. Ms. Murphy suggested the formulation of both a Diversity Policy and Diversity Procedures.

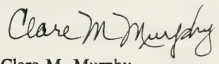
3. Announcements are being distributed regarding the 1110, Executive Assistant position open in the General Manager's Office. Ms. Murphy indicated that she is working in concert with Civil Service on this issue and elicited nomination of candidates from the Board.

BOARD MEMBERS

1. Commissioner Driscoll requested that future applications for Financial Hardship Withdrawal from deferred compensation accounts be presented to the Board only with a cover memorandum indicating staff recommendation of approval and the actual application itself. He indicated that supporting documentation only needed to be made included in Board packets for those applications which were not being recommended for approval.

There being no further business, the Board adjourned its meeting at 6:50 p.m.

Respectfully submitted,



Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Jewel Michelson, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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AUG 20 1992
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TUESDAY, August 11, 1992

1:30 p.m.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Clare M. Murphy	General Manager Retirement System
Absent:	Kevin F. Shelley	Supervisor

MINUTES: Minutes of Regular Meeting, July 28, 1992.

ACTION: Approved as amended.

Retirement Board

Regular Meeting, August 11, 1992

Consent Calendar

The following items were presented:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 3 - 92.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Ali Alborati $26,000.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

James Ferranti $20,000.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE:

Frances Simms $31,700.00

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

David Gonzalez $2,800.00

3. HEARING DECISIONS:

a. Thomas V. Dooley
710 - Shorthand Reporter - Superior Court
Ordinary Disability Retirement
Effective Date: June 1, 1991 Granted

b. Thermon W. Dunn
7373 - Stationary Engineer - Department of Public Works
Ordinary Disability Retirement/Stipulation (Prop. A) Denied

3. c. James A. Ferranti
9210 - Airport Police Officer - Airport
PERS Disability Retirement
Effective Date: February 12, 1991 Granted

4. PETITION FOR REHEARING:

Thomas J. Dickson
0380 - Inspector - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: July 16, 1988 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN.

a. James D. Armstrong

b. Arthur C. Cofresi

6. APPLICATION FOR BIRTHDATE CORRECTION:

David R. Ancheta

ACTION: 1. It was moved by Breall, seconded by Meiberger to recuse Commissioner Gibson from voting on items 2b and 3c of the Consent Calendar; motion passed 5 - 0.

[Commissioner Driscoll arrived to the meeting at this point.]

2. It was moved by Gibson, seconded by Meiberger to adopt the Consent Calendar excepting items 2b and 3c; motion passed, 6-0.

3. It was moved by Breall, seconded by Driscoll to adopt items 2b and 3c of the Consent Calendar; motion passed, 5-0.

REGULAR CALENDAR

1. RECOMMENDATION FOR REVISED CITY CONTRIBUTION RATES - 1992-1993.

Kieran Murphy, Actuary, made a written and oral presentation to the Board regarding revised City contribution rates for the 1992-1993 fiscal year. He was assisted in his presentation by Mark Mactus, Actuary, Towers Perin. Claude Kolm, Deputy City Attorney, was also present.

The Board reviewed and discussed this item and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to adopt staff's recommendation to amend the City's contribution rates to reflect 25.92% for Police and 50.65% for Fire employees for the complete 1992-1993 fiscal year; motion passed 6-0.

2. AMENDMENT TO RESOLUTION CERTIFYING DELEGATION OF INVESTMENT AUTHORITY.

Kenneth L. Shaffer, Chief Investment Officer, presented an oral report to the Board on this item.

The Board reviewed and discussed this item and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to adopt staff's recommended amendment to the resolution certifying delegation of investment authority; motion passed 6 - 0.

INVESTMENT CALENDAR

1. INVESTMENT RECOMMENDATION: WESTON PRESIDIO CAPITAL, L.P.

Gary Hiatt, Portfolio Manager, and Alicia Cooney, Lewis, Bailey Associates, presented a written and oral report to the Board regarding this item.

The Board reviewed and discussed the item and engaged in a question and answer session with Mr. Hiatt and Ms. Cooney.

ACTION: It was moved by Driscoll, seconded by Meiberger that staff proceed to invest a sum not greater than $10 million or ten percent (10%) of the partnership's total fund, and that these funds be allocated from the Venture-Based Investment category; motion passed 6-0.

2. REVISED BROKERAGE POLICY.

Kenneth L. Shaffer, Chief Investment Officer, made a written and oral report to the Board on this item.

The Board reviewed and discussed the revised brokerage policy and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the amended resolution, adding the Chief Investment Officer's signature, and changing the final *Further Be It Resolved* (see attached resolution); motion passed, 6 - 0.

3. STAFF REPORT ON TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1992.

Kenneth L. Shaffer, Chief Investment Officer, made a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REVIEW OF DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1992.

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. REVIEW OF DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1992.

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Vice President Wong and Commissioner Driscoll left the meeting at the end of this presentation.]

6. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE PERIOD ENDING OCTOBER 31, 1992.

Kenneth L. Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger, to accept staff's recommendations on asset allocation for the period ending October 31, 1992; motion 4 - 0.

7. CHIEF INVESTMENT OFFICER'S REPORT.

Kenneth L. Shaffer, Chief Investment Officer, reported on the following:

a. Proxy Votes

There were no proxy votes to report.

b. Mr. Shaffer distributed a list of meetings conducted by members of the investment staff during the month of July, 1992.

c. Mr. Shaffer discussed a preliminary review of minority trusts, and reported that an analysis will be presented at the September 29, 1992 meeting.

General Manager's Report

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. The Hartford wishes to mail to members of the Deferred Compensation Plan notice of their offering of 20th Century Funds. Ms. Murphy informed the Board that participation in the 20th Century Funds would involve a $5.00 per month charge to members.

   Ms. Murphy additionally informed the Board that The Hartford is considering the implementation of a three-month transfer restriction between Money Market Accounts and the General Account.

   The Board requested Ms. Murphy to further investigate both of these items and, for the time being, to withhold permission to proceed with these items.

2. Two retiree groups are requesting information from the Retirement System regarding retiree data. The Retirees Association wishes the Retirement System, at no cost to itself, to arrange to provide mailing labels for those retirees who took advantage of Proposition A for a membership appeal. The second group, representing Police Widows and Orphans, wishes to discuss with the Retirement System automatic deductions from retirees' pension checks for the Police Widows and Orphans fund.

3. Mayor Jordan has created and distributed new budget directives to department heads, which request budgets reflect summary statements, goals, and objectives. Ms. Murphy stated that this appeared to reinstate an MBO environment.

4. There are five firms which have responded to the Deferred Compensation consultant request for proposal to assist in negotiations between the Retirement System and The Hartford. Ms. Murphy indicated that she would have further information to present at the August 25, 1992 Board meeting.

5. Ms. Murphy updated the Board on the combined efforts of the Retirement System, the Civil Service Commission, and the Health Service System on a proposal to institute a one-stop processing center for new employees.

6. Metropolitan Life has written to express concern about the Retirement Board's decision concerning deferred compensation providers.

7. The Finance Committee of the Board of Supervisors will be holding hearings on the investment performance of the Retirement System on August 26, 1992.

8. PERS has informed us that the City of San Diego has joined the reciprocity program.

9. Ms. Murphy informed the Board that she had checked into the Cigna offering brought up by Commissioner Breall and has learned that this is a 401k vehicle that is not a generally marketed item and will not be offered after this calendar year ends.

10. Ms. Murphy gave a progress report on the Workers' Compensation Division Manager examination process.

Supplemental Calendar

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Meiberger to hear the Supplemental Calendar; motion passed, 4 - 0.

ITEM

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Diane Otis $1,500.00

2. REQUEST TO WITHDRAW FUNDS FROM THE DEFERRED COMPENSATION PLAN:

   Charles E. Baker

ACTION: It was moved by Breall, seconded by Driscoll to adopt the Supplemental Calendar; motion passed 4 - 0.

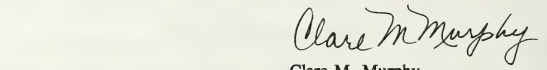
BOARD MEMBERS

1. President Ashe informed the Board that he had been requested to serve on the Senior Citizen's Task Force.

2. President Ashe commended Commissioner Meiberger for his initiative in writing a letter to the San Francisco Chronicle and noted its lucidity and pertinence.

There being no further business, the Board adjourned its meeting at 7:33 p.m.

Respectfully submitted,



Clare M. Murphy
General Manager

Note: A transcript was made of this meeting by Court Reporter: Dick Adams, Adams Reporting Services.

CITY AND COUNTY OF SAN FRANCISCO
EMPLOYEES' RETIREMENT SYSTEM

DELEGATION OF INVESTMENT AUTHORITY

The Retirement Board of the City and County of San Francisco Employees' Retirement System does hereby delegate to the officers whose signatures appear below the authority to invest and reinvest the assets of the Retirement System.

Clare M. Murphy
General Manager _____

Kenneth L. Shaffer
Chief Investment Officer _____

Carolyn Hamilton
Portfolio Manager _____

Gary E. Hiatt
Portfolio Manager _____

E. Jack Montgomery
Portfolio Manager _____

The officers designated above are authorized to open an account or accounts with one or more firms or financial institutions for the purpose of engaging in transactions to purchase, sell, assign, transfer, or otherwise enter into agreements, commitments or similar arrangements, for cash or forward settlement relating to the investment of assets.

The designated officers are authorized to commit, bind, and obligate the Retirement System for investment transactions, to execute those transactions, and in connection therewith to deliver securities and monies, to sign and deliver agreements, contracts, commitments and confirmations and other necessary, desirable or customary documents. Other parties to the transactions may rely and act upon any verbal or written orders and instructions from the designated officers in connection with such accounts and transactions.

All brokerage transactions shall be considered confidential by all parties concerned in accordance with SFERS Board Resolution.

The delivery of any marketable securities or monies to the Retirement System shall be to the custodian, Bankers Trust Company, or its successor.

This delegation is effective August 11, 1992 and shall continue in force until amended or revoked in writing by the Retirement Board.

IN WITNESS WHEREOFF, I have set my hand and caused the seal of the City and County of San Francisco Employees' Retirement System to be affixed this 11th day of August 1992.

By:

_____
Peter D. Ashe
President, Retirement Board

RESOLUTION
Regarding Brokerage Services

WHEREAS, the Retirement Board and investment staff of the Retirement System have the fiduciary responsibility to manage the Fund's assets for the exclusive benefit of the Plan participants and their beneficiaries, and

WHEREAS, the investment staff and its external managers must employ the services of brokers to buy and sell securities in the management of portfolios, and

WHEREAS, the goal of brokerage is problem free execution of transactions and settlements, with minimal market impact, at the best prices and lowest transaction costs while avoiding unnecessary risks, and

WHEREAS, there are sound business reasons for the Retirement System to require brokers and managers to keep financial market transactions confidential, to protect Fund assets, and to avoid front running and other unethical practices which adversely affect securities' prices,

NOW THEREFORE, BE IT RESOLVED, that the Retirement System staff and its external managers shall conduct brokerage only with financially sound organizations that employ experienced, ethical, institutional brokers. These organizations shall have a verifiable history of transacting large equity trades (10,000 or more shares) or fixed income trades ($10,000,000 or above) through custodians. These organizations shall have adequate reserves (net capital plus appropriate insurance as determined from audited financial statements) greater than or equal to one hundred and fifty percent (150%) of the principal amount of any trade. The principals of such firms shall have a minimum of five years' experience in providing institutional brokerage services. Any regulatory investigations, governmental legal actions, or improper practices concerning the firm or its principals may disqualify the firm.

BE IT FURTHER RESOLVED, that staff shall conduct brokerage for internally managed funds based on quarterly reviews of their services, including discounted commissions, research, and related services, and on good faith efforts to include local, minority, and women owned firms. Staff shall review financial statements of brokerage houses and conduct reference checks of new brokers. External managers shall be directed to review their brokerage services in accordance with this policy and to report commission allocations to the Chief Investment Officer. All managers are directed to adhere to the goals and obligations as stated above. This policy shall not be construed as a prohibition of directed transactions or soft dollar transactions.

BE IT FURTHER RESOLVED, that all brokerage transactions shall be kept confidential by managers and brokers, and shall not be disclosed except to authorized Retirement System personnel. Any other disclosure must be expressly authorized by the Retirement System Board. Violation of confidentiality will result in disqualification.

This resolution was adopted by the Retirement Board on August 11, 1992.

Kenneth L. Shaffer	Peter D. Ashe	Clare M. Murphy
Chief Investment Officer	President, Retirement Board	General Manager

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, August 25, 1992

1:30 p.m.

Present:	Mason Wong	Vice President (Acting President)
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Clare M. Murphy	General Manager Retirement System
Absent:	Peter D. Ashe	President
	Kevin F. Shelley	Supervisor

MINUTES: Minutes of Regular Meeting, August 11, 1992

ACTION: Approved as submitted.

Retirement Board

Regular Meeting

Investment Calendar

1. CALLAN INVESTMENTS PRESENTATION

Tony Freitas and Barry Dennis, Callan Associates, made a written and oral presentation to the Board regarding a quarterly and year-end investment performance measurement review of the Retirement System's portfolio.

The Board reviewed and discussed the report and engaged in a question and answer session with Messrs. Freitas and Dennis.

This was an information item only; no action was taken.

[Commissioner Driscoll arrived to the meeting at the beginning of this presentation.]

2. EXTERNAL MANAGER PRESENTATION

The following firms and individuals presented oral and written reports to the Board:

Capital Guardian Trust Co.	Robert Ronas, Paulette Schneider
McCullough, Andrews & Capiello	Robert McCullough, Dave Andrews
Scudder, Stevens & Clark	Dixie Rudd

The Board reviewed and discussed the reports and engaged in a question and answer session with representatives from the three firms.

ACTION: It was moved by Gibson, seconded by Meiberger to authorize Capital Guardian Trust Co. to hold the Retirement System's Mitsubishi holdings until a more propitious time for selling occurs, with the express understanding that the stock is to remain on the South Africa Restricted List and that current holdings are to be sold when advantageous market conditions arise; motion passed 5-0.

ACTION: It was moved by Driscoll, seconded by Meiberger to remove the firms of GEA AG, BASF AG, and Lufthansa from the South Africa Restricted List; motion passed 5-0.

3. REQUEST BY INVESTMENT MANAGERS TO HAVE COMPANIES REMOVED FROM THE SOUTH AFRICA RESTRICTED LIST

Mark Coleman, Security Analyst, presented a written and oral report to the Board regarding this item.

The Board reviewed and discussed the reports and engaged in a question and answer session with staff regarding the request.

ACTION: It was moved by Driscoll, seconded by Meiberger to remove Degussa from the South Africa Restricted List; motion passed 5-0.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy votes:

There were no proxy votes.

b. Mark Coleman, Security Analyst, provided an update to the Board regarding the IRRC Restricted List.

c. Kenneth L. Shaffer, Chief Investment Officer, distributed copies of Axe Core's preliminary response to Board concerns and indicated that a more thorough report is scheduled for presentation before the Board in late October.

d. Mr. Shaffer distributed his preliminary response to Commissioner Meiberger's request for additional discussion regarding asset allocation.

Discussion occurred on the issue of individual Board members' requests to staff for information. Consistent with Charter Section 3.500, Commissioner Gibson suggested that requests for detailed information by the Board members be made through the Board as a whole in order to establish more effectively priorities for staff activities.

Regular Calendar

1. REQUEST TO PURCHASE PRIOR PART-TIME SERVICE: SALLY E. EBERLE

Clare M. Murphy, General Manager, presented a written and oral report to the Board on the request of Sally Eberle to purchase prior part time service.

The item was reviewed and discussed by the Board, which also engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger, to accept staff's recommendation allowing Ms. Eberle to purchase prior part time service; motion passed 5-0.

2. RETIREES ASSOCIATION REQUEST FOR PROP. A RETIREES' NAME AND ADDRESS LABELS FOR MEMBERSHIP APPEAL

Clare M. Murphy, General Manager, presented a written and oral report to the Board regarding a request by the Retired Employees Association of the City and County of San Francisco to be provided with address labels of those employees who retired under the provisions of Proposition A for the purposes of a membership appeal.

The Board reviewed and discussed this item and engaged in a question and answer session with staff and Dan Maguire, Deputy City Attorney.

ACTION: It was moved by Gibson, seconded by Driscoll to accept staff's recommendation to assist the Retired Employees Association in their membership appeal to those employees who retired under Prop. A; motion passed, 5-0.

3. REQUEST AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE 11TH ANNUAL CONFERENCE ON REAL ESTATE INVESTMENTS FOR PENSION FUNDS TO BE HELD ON OCTOBER 17-21, 1992 IN ORLANDO, FLORIDA

4. REQUEST AUTHORIZATION FOR BOARD MEMBERS AND STAFF TO ATTEND THE ANNUAL PREA PLAN SPONSORED REAL ESTATE CONFERENCE TO BE HELD ON NOVEMBER 7-10, 1992 IN WASHINGTON, D.C.

Clare M. Murphy, General Manager, presented an oral report on items 3 and 4 conjunctively.

The Board reviewed and discussed the request, and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to allow staff or Board attendance at either of the two conferences; motion passed, 4-1 (Breall).

5. REPORT ON HARTFORD ISSUES: TWENTIETH CENTURY FUNDS; ASSET TRANSFER RESTRICTION

Clare M. Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the issues and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Gibson, to accept staff's recommendation to allow The Hartford to contact Deferred Compensation Plan members regarding the availability of Twentieth Century Investor's fund account options and the asset transfer restriction; motion passed, 5-0.

6. RECOMMENDATION FOR SELECTION OF DEFERRED COMPENSATION NEGOTIATION CONSULTANT

Clare M. Murphy, General Manager, and Dan Maguire, Deputy City Attorney, made a written and oral presentation to the Board regarding the selection of a consultant for the Deferred Compensation contract negotiations with The Hartford.

The Board reviewed and discussed the recommendation and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to adopt staff's recommendation to begin negotiations with Mercer to act as consultant in the deferred compensation contract negotiations with The Hartford; motion passed 5-0.

Consent Calendar

The following items were presented:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 4-92

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Helen R. Hicks $ 8,500.00

   b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Curt Lear $ 5,000.00

   c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE:

   Ralph McCormick $ 8,250.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Carol Buich $ 83,997.13

   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Ricky Ivy $ 5,000.00

   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM:

   Theodore Lyau $ 12,850.00

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   Lorenzo Garde

ACTION: It was moved by Breall, seconded by Driscoll to adopt the Consent Calendar; motion passed, 5-0.

Supplemental Calendar

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Gibson to hear the Supplemental Calendar; motion passed, 5-0.

ITEM

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE

   John Randles $ 1,500.00

   b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE & RELEASE

   Peter P. Turdici $ 2,145.00

2. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   Evelyn Ruethling $ 11,858.67

   b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   Diane Shortall $ 3,695.27

   c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   Frederick G. Wagner $ 6,000.00

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN:

   a. Bruce M. McMurtry

   b. Aaron C. Stevenson

   c. Frederick C. Walsh

   d. Hermelinda Willis

4. **APPLICATION FOR BIRTHDATE CORRECTION:**

Mercedes Carino Gonzales

ACTION: It was moved by Driscoll, seconded by Breall to adopt the Supplemental Calendar; motion passed, 5-0.

General Manager's Report

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Margaret Kisliuk, of the Mayor's Office, is currently in Sacramento for the purpose of monitoring the ongoing State budget process. She reports that there are three major legislative budget proposals and anticipates that the shortage to San Francisco will be in the neighborhood of $52 million to $86 million. The likely effect on the City's budget will be approximately $30 million, due to the Retirement Board's action of the last meeting adjusting actuarial rates for City contributions. Ms. Kisliuk indicated that Sacramento may act on a budget by next week.

2. The Finance Committee of the Board of Supervisors will be holding a hearing on August 26, 1992 regarding the investment policies of the Retirement System. Ms. Murphy stated that Supervisor Gonzalez, chair of the Finance Committee, has indicated that the purpose of the hearing is for an overview of methodology and for educational purposes. Ms. Murphy, Ken Shaffer, and a representative from Callan Associates will be making presentations at the hearings, and she requested Board attendance.

3. Ms. Murphy reported that 17 firms responded to the initial request for information to provide Third Party Administrator services to the Workers' Compensation Division for case management and processing. There was a Bidder's Conference on August 13, 1992. So far, none of the firms have responded to the Request for Proposal.

4. Ms. Murphy noted that both President Ashe and Commissioner Driscoll would not be attending the September 8, 1992 Board Meeting, and requested that if any other commissioners would not be able to attend to notify her as soon as possible, as the meeting would then be cancelled due to lack of a quorum.

Board Members

1. Commissioner Meiberger gave an oral and written report to the Board regarding his recent travel to the IFE Conference for new trustees held in Los Angeles.

There being no further business, the Board adjourned its meeting at 6:30 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A tape recording of this meeting was made by Nancy MacNair, Assistant Retirement Analyst, Employees' Retirement System.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

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MEMORANDUM

DOCUMENTS DEPT
AUG 31 1992
SAN FRANCISCO

DATE: August 25, 1992

TO: Retirement Board

FROM: Clare M. Murphy
General Manager

SUBJECT: PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS

Date	Time	Tentative Topics
9/8/92	1:30 p.m.	Deferred Compensation Annual Report Quarterly International Investment Reports
9/29/92	1:30 p.m.	Annual Report Alternative Investment Presentation Quarterly Real Estate Performance Report External Manager Presentation Report on Emerging Equity Manager Trusts
10/13/92	1:30 p.m.	Regular Meeting Workers Compensation TPA Vendor Presentations Educational/Travel Guidelines
10/27/92	1:30 p.m.	Regular Meeting Workers Compensation TPA Vendor Selection Asset Allocation Report
11/10/92	1:30 p.m.	Regular Meeting Actuarial Experience Analysis Total Portfolio Performance Domestic Investment Quarterly Reports Asset Allocation
11/24/92	1:30 p.m.	Regular Meeting Callan Associates Presentation External Managers Presentations Semi-Annual Alternative Investment Report
12/8/92	1:30 p.m.	Regular Meeting Quarterly Real Estate Performance Report Real Estate Manager Presentation Alternative Asset Presentation Quarterly Report on International Investments Actuarial Valuation Report
12/29/92	1:30 p.m.	CANCELLED

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, September 8, 1992

1:30 p.m.

Present:	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Clare M. Murphy	General Manager Retirement System
Absent:	Peter D. Ashe	President
	Joseph D. Driscoll	Commissioner
	Kevin F. Shelley	Supervisor

MINUTES: Minutes of Regular Meeting, August 25, 1992

ACTION: No action was taken pending revision.

Retirement Board

Regular Meeting

Public Comment

Vice President Wong reviewed the Public Comment procedure for the attendees. No comments were made at this time.

Investment Calendar

1. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED JUNE 30, 1992

   Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board reviewing international fixed income performance for the quarter ended June 30, 1992.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

   Following this presentation, Commissioner Breall noted the large public audience, and he stated that he wished to communicate to the audience that discussion of any pending litigation would be done in closed session, pursuant to the Ralph M. Brown Act, Government Code §54950 et seq. Vice President Wong read again the statement regarding public comment at Retirement Board meetings and asked if any of the audience would like to make statements. Three individuals commented. Charles Stark requested the court citation of Commissioner Meiberger's lawsuit involving the Retirement Board. Clare Murphy, General Manager, indicated that Mr. Stark would receive the number from Dan Maguire, Deputy City Attorney. Leo Walsh asked when the issue of the lawsuit would be discussed with the retirees. Commissioner Gibson responded that the Board will be putting together a press release and arranging to have communication in the near future with the retirees respecting the lawsuit and the index fund. Terry Nordyke wished to know when the issues discussed in the closed session would be made public. Mr. Nordyke was informed that the issue of the index fund would be discussed in public meeting at the Retirement Board's October 27, 1992 meeting.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED JUNE 30, 1992

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board reviewing international equity performance for the quarter ended June 30, 1992.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REQUEST BY INVESTMENT MANAGERS TO HAVE PIRELLI SPA REMOVED FROM THE SOUTH AFRICA RESTRICTED LIST

Kenneth L. Shaffer, Chief Investment Officer and Mark Coleman, Securities Analyst, presented a written and oral report to the Board regarding the removal of Pirelli SPA from the South Africa restricted list.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Staff affirmed that this action was in accordance with Board policy regarding removal of companies from the restricted list.

ACTION: It was moved by Meiberger, seconded by Gibson to adopt staff's recommendation to remove Pirelli SPA from the South Africa restricted list; motion passed 4-0.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes:

There were no proxy votes discussed.

b. Mr. Shaffer distributed a listing of Investment Division meetings with firms during the month of August, 1992.

c. Mr. Shaffer indicated that he is currently preparing a response to a recent *San Francisco Examiner* newspaper article regarding alleged performance problems with the fund's portfolio.

At this point, discussion occurred among the Board regarding the newspaper article. Commissioner Breall stated that, in particular, what bothered him about the article were the negative inferences regarding the state of the portfolio and System administration. Commissioner Gibson stated that she wished to get

clarification to the retirees regarding both Commissioner Meiberger's and Mr. Shaffer's discussion regarding this issue. Ms. Jean Thomas, of the Retirees' Association requested that when the Board did develop communication for the retirees that they explain the situation in terminology that would be easy to understand.

Commissioner Gibson went on to say that Board members have an individual responsibility when facing the opportunity to discuss such issues with the press, and said that special care should be taken to ensure that "We have done our utmost to make sure that the context is appropriate... And we have to be careful that we don't damn ourselves and our wonderful staff because we're not careful when we're dealing with the press. And I would hope that each of us would look internally at how we conduct ourselves when we have opportunities to comment for the record and recognize the implications of what it's like to be quoted out of context or to be the subject of those kind of inferences."

d. Mr. Shaffer and Mr. Coleman presented a summary report of proxy issues and voting results of the first six months of Calendar Year 1992.

REGULAR CALENDAR

1. REPORT BY THE HARTFORD ON THE DEFERRED COMPENSATION PLAN FOR THE YEAR ENDED JUNE 30, 1992

Patrick J. Kalasardo, Area Vice President, The Hartford, presented a written and oral report regarding the City's deferred compensation plan for the year ended June 30, 1992.

The Board reviewed and discussed the material and engaged in a question and answer session with Mr. Kalasardo.

This was an information item only; no action was taken.

2. HEARING OFFICER DECISION:

Gabriel Gallegos
H-20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: January 26, 1991 Granted
(Orthopedic Only)

3. HEARING OFFICER DECISION:

Edward J. O'Brien
H-10 Chief's Operator - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: January 20, 1992 Granted

Dan Maguire, Deputy City Attorney, presented written and oral reports on items 2. and 3. above.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall, to accept staff's recommendation to petition for rehearing in the cases of Mr. Gallegos and Mr. O'Brien; motion passed 4-0.

4. REVIEW OF RETIREMENT SYSTEM EMPLOYER CONTRIBUTION RATE-SETTING PRACTICES

Kieran Murphy, Actuary, presented a written and oral report to the Board regarding a history and analysis of the System's employer contribution rate setting practices, in response to Mayor Jordan's request.

The Board reviewed and discussed the materials and the draft response to Mayor Jordan, suggesting some changes and indicating that the response should include a cover letter from the Board. Clare Murphy indicated that she would prepare a transmittal letter for the Vice President's signature.

CONSENT CALENDAR

The following items were presented:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 5-92.

2. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Norma Haymond $ 30,000.00

2. b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

John F. Powers $ 500.00

c. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Valerie J. Street $ 5,000.00

d. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Alfonso Tucker, Sr. $ 15,500.00

3. a. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Olivia Lee $ 5,000.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Mary F. Tennenbaum $ 1,691.52

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Michael Toropousky $ 5,052.60

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Michael Wells $ 1,142.48

e. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Antoinetta Williams $ 7,500.00

4. HEARING DECISIONS

a. Raymond J. Berndl
9163 Transit Operator - MUNI
Reinstatement Granted

b. Thomas Cady
Q-2 Police Officer - Police Department
Industrial Disability Retirement
Effective Date: August 15, 1992 Granted

4. c. Michael J. Clennell
H-2 Fire Fighter - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: March 23, 1991 Granted

d. Michael Collins
H-2 Fire Fighter - Fire Department
Industrial Disability Retirement
Effective Date: December 7, 1992 Granted

e. Clyde Flewellen
1424 Clerk Typist - Department of Public Health
Ordinary Disability Retirement
Effective Date: January 2, 1993 Granted

f. David P. Lewis
1632 Senior Account Clerk - Purchasing Department
Ordinary Disability Retirement
Effective Date: March 28, 1992 Granted

g. Miguel F. Navarro
7242 Painter Supervisor I - Department of Public Works
Ordinary Disability Retirement
Effective Date: October 19, 1991 Granted

h. James D. Smith
H-2 Fire Fighter - Fire Department
Industrial Disability Retirement
Effective Date: August 1, 1992 Granted

i. John R. Steddin
H-20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: November 16, 1991 Granted

j. Manuel D. Sunglao
1650 Accountant - SFUSD
Ordinary Disability Retirement
Effective Date: May 9, 1992 Granted

5. PETITIONS FOR REHEARING

T. A. Schlink, III
Q-2 Police Officer - Police Department
Industrial Disability Retirement — Denied
Determination — Denied

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Consent Calendar; motion passed 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Breall, seconded by Meiberger to hear the Supplemental Calendar; motion passed 4-0.

ITEM:

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Georgina Tyler — $ 12,380.00

b. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Sara H. Blain — $ 608.58

c. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

John Hatley — $ 1,640.53

d. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Renita Jeffery — $ 74.62

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Aaron C. Stevenson

3. APPLICATION FOR BIRTHDATE CORRECTION

Julia Lena Dixon

ACTION: It was moved by Gibson, seconded by Breall to adopt the Consent Calendar; motion passed 4-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. City Budget

The impact of the recently-resolved State budget issue has been analyzed by the City's various budget and fiscal offices. It is anticipated that the initial effect will be a $64 million reduction in funds received by the City and County. However, further State reductions are anticipated in the fiscal year. Mayor Jordan plans to have his City budget recommendations to the Board of Supervisors on September 18, 1992; budget hearings will take place September 29 and 30, 1992, and the City budget will likely be adopted October 13, 1992.

2. Deferred Compensation Contract Negotiations

Clare Murphy and Dan Maguire have begun to meet with Robert Blum and Ian Altman, William M. Mercer, to formulate contract negotiation issues for The Hartford Deferred Compensation Plan.

3. Personnel

Workers' Compensation: The Civil Service Commission will publish the announcement for the 8167 Division Manager, Workers' Compensation, on September 18, 1992.

Administration: The Civil Service Commission will announce a permanent examination for the 1110 Executive Assistant to the General Manager position on September 11, 1992.

Interviews have been conducted and a candidate has accepted the 1452 Confidential Secretary to the General Manager position resulting from Lorna Navarro's transfer to the Public Utilities Commission. Ms. Murphy wished to take this opportunity to thank Ms. Navarro for her years of service to the Retirement System and to wish her good luck in her new position. The new secretary will report for work on October 5, 1992.

4. Finance Committee Meeting

Ms. Murphy reported that Supervisor Gonzalez complimented staff and representatives from Callan Associates for their investment performance presentation; however, he indicated that the hearing would be recessed so that the Committee could hear further testimony regarding the fund's use of minority and/or women-owned investment managers.

5. Workers' Compensation TPA Update

Eleven firms have responded to the RFP to provide claims services to the Workers' Compensation unit, and preliminary analysis of responses has begun. Ms. Murphy stated that there appears to be a wide range of costs among the respondents.

BOARD MEMBERS

No items were brought up by the Board.

There being no further business, the Board adjourned its regular meeting at 4:20 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Dick Adams, Adams Reporting Services.

CLOSED SESSION

Pursuant to the Ralph M. Brown Act, Government Code Sections 54950 et. seq., the Retirement Board met in closed session to discuss a litigation matter brought about by Commissioner Meiberger.

City Attorney Dan Maguire rendered an oral opinion that Commissioner Meiberger was in a conflict of interest situation and therefore should absent himself from the Closed Session. Commissioner Meiberger did not agree with the City Attorney's opinion, stating he did not see a conflict of interest because he did not seek any financial gain; however, he voluntarily absented himself from the Closed Session.

At the completion of the closed session, Vice President Wong reported that the City Attorney advised the Board on Commissioner Meiberger's lawsuit. Further, Mr. Maguire stated that the City Attorney will file a response to the lawsuit with the Superior Court within the next twenty days.

MINUTES

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TUESDAY, SEPTEMBER 29, 1992

1:30 p.m.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meetings of August 25, 1992 and September 8, 1992.

ACTION: Approved as Submitted.

Retirement Board

Regular Meeting

Public Comment

President Ashe reviewed the Public Comment procedure for the attendees. No comments were made at this time.

Investment Calendar

1. EXTERNAL MANAGER PRESENTATION

   Gerry Egan, Wylie Greig, and Suzanne Hauer, RREEF, presented a written and oral report to the Board on the RREEF portfolio, including investment strategy/portfolio overview, industrial market outlook, current portfolio and portfolio performance.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information only item; no action was taken.

2. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1992

   Kevin Lynch, the Townsend Group, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with Mr Lynch and staff.

   This was an information only item; no action was taken.

3. CONSIDERATION AND ADOPTION OF REAL ESTATE STRATEGIC PLAN

   Kevin Lynch, the Townsend Group, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with Mr. Lynch and staff.

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the recommendation of the real estate strategic plan; motion passed 6-0.

[Commissioner Driscoll arrived during this calendar item.]

4. PRESENTATION OF DRAFT INVESTMENT PLAN

Kevin Lynch, the Townsend Group, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with Mr. Lynch and staff.

This was an information item only; no action was taken.

5. REPORT ON REAL ESTATE INVESTMENT OPPORTUNITY -- CHARTERHOUSE/ U.S. ASSET MANAGEMENT

Kevin Lynch, the Townsend Group, R. Daniel Barwick and Suhial R. Risvi, MIG Capital Management, and Samuel A. Plum, Charterhouse, Inc., presented a written and oral report to the Board on this firm that provides advisory services in the management of troubled real estate assets.

The Board reviewed and discussed the material and engaged in a lengthy question and answer session with Messrs Lynch, Barwick, Risvi, Plum and staff.

ACTION: It was moved by Breall, seconded by Gibson not to accept the investment opportunity presented by Charterhouse; with voting tied 3-3 (Ashe, Wong, Meiberger).

6. ALTERNATIVE INVESTMENT RECOMMENDATION -- MADISON/DEARBORN

Gary Hiatt, Portfolio Manager, and Alicia Cooney, Lewis, Bailey Associates, presented a written and oral report to the Board regarding this alternative investment.

The Board reviewed and discussed the material and engaged in a question and answer session with Ms. Cooney and staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to invest $15 million of the alternative investment allocation in Madison/Dearborn; motion passed 6-0.

[Supervisor Shelley arrived during discussion of this calendar item; however, he was out of the room during the vote.]

7. REPORT ON ALTERNATIVE INVESTMENT PARTNERSHIPS -- FIRST RESERVE FUND VI AND ARRAL PACIFIC EQUITY TRUST II

Gary Hiatt, Portfolio Manager, and Alicia Cooney, Lewis, Bailey Associates, presented a written and oral report to the Board regarding these alternative investment vehicles.

The Board reviewed and discussed the material and engaged in a question and answer session with Ms. Cooney and staff.

This was an information item only; no action was taken.

8. RECOMMENDATION FOR REDISTRIBUTION OF ALTERNATIVE ASSET ALLOCATION SECTORS FOR 1992

Gary Hiatt, Portfolio Manager, and Alicia Cooney, Lewis, Bailey Associates, presented a written and oral report to the Board regarding this item.

The Board reviewed and discussed the material and engaged in a question and answer session with Ms. Cooney and staff.

ACTION: It was moved by Driscoll, seconded by Breall to adopt the staff recommendation to reallocate approximately $10 million from Asset-Based Investments - Hard Assets to Venture-Based Investments; motion passed 7-0.

9. REPORT ON EMERGING EQUITY MANAGER TRUSTS

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on emerging equity manager trusts. He was joined by Herman Gallegos, Chair, Pacific Telesis Board.

The Board reviewed and discussed the material and engaged in a question and answer session with Messrs. Shaffer and Gallegos. Commissioner Meiberger requested a City Attorney's opinion regarding the use of this type of trust, in light of the Retirement Board's fiduciary responsibility to the pension trust.

ACTION: It was moved by Gibson, seconded by Breall to schedule an educational seminar at the Retirement Board's October 27, 1992 meeting to review options for emerging fund management, including a panel discussion with representatives of emerging trusts and representatives of pension plans which utilize the *farm team* approach; motion passed 7-0.

10. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes:

There were no proxy votes discussed.

b. Mr. Shaffer discussed the issue of how fund managers are coping with the currency crisis in Europe.

This was an information item; no action was taken.

5. REPORT ON REAL ESTATE INVESTMENT OPPORTUNITY -- CHARTERHOUSE/ U.S. ASSET MANAGEMENT

At this point in the meeting, the Board reopened the issue of investing in Charterhouse and engaged in discussion.

ACTION: It was moved by Driscoll, seconded by Meiberger to express to Nation's Bank interest in the acquisition of a subdivision of the bank, provided that due diligence and closing be completed by December 31, 1992; motion passed 5-1 (Gibson).

[Supervisor Shelley was out of the room during the vote.]

REGULAR CALENDAR

1. REPORT REGARDING THE RECORDING OF RETIREMENT BOARD PROCEEDINGS

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REQUEST AUTHORIZATION FOR ATTENDANCE AT IFE ALTERNATIVE INVESTMENTS SEMINAR AT SEA ISLAND, GEORGIA, TO BE HELD NOVEMBER 8 - 11, 1992

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Wong to authorize staff to attend the IFE alternative investment conference; motion passed 6-1 (Shelley).

3. REQUEST AUTHORIZATION FOR ATTENDANCE AT THE NAPO CONFERENCE, LAS VEGAS, NEVADA, TO BE HELD OCTOBER 9 - 13, 1992

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to authorize President Ashe to attend the NAPO Conference; motion passed 6-0 (Commissioner Driscoll was absent from the room for this vote).

4. REQUEST AUTHORIZATION FOR ATTENDANCE AT THE PRUDENTIAL WESTERN PUBLIC FUND SEMINAR, NAPA, CALIFORNIA, TO BE HELD OCTOBER 18 - 20, 1992

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to authorize President Ashe to attend the Prudential Western Public Fund Seminar; motion passed 6-1 (Shelley).

5. UPDATE ON WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR PROPOSAL REVIEW AND ANALYSIS

Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger to adopt staff's newly-revised schedule for Third Party Administrators review; motion passed 7-0.

CONSENT CALENDAR

The following items were presented:

ITEM

1. VOLUNTARY RETIREMENT BOARD LIST NO. 6-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Woodrow S. Herve	$ 672.00
b.	John L. Saenz	$500.00

c. Samuel Scott $ 14,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a. Anthony Bass $ 868.95

b. Basil Canion $ 1,314.78

c. Sultan Shahzad $ 2,500.00

d. Timothy Tang $ 3,463.23

4. HEARING DECISIONS

a. Lillie P. Butler
8204 - Institutional Police Officer - Dept. of Public Health
PERS Disability Retirement
Effective Date: Expiration of Section 4850 and Sick Leave Benefits — Granted

b. Carl T. English, Jr.
H-2 - Fire Fighter - Fire Department
Ordinary Disability Retirement
Effective Date: July 1, 1991 — Granted

c. Allen Giovannetti
Q-2 - Police Officer - Police Department
Determination
Effective Dates: April 6, 1992 - ongoing — Granted

d. Frank L. Macillus
H-2 - Fire Fighter - Fire Department
Industrial Disability Retirement Stipulation
Effective Date: July 5, 1991 — Granted

e. Michael J. Pera
H-2 - Fire Fighter - Fire Department
Industrial Disability Retirement
Effective Date: August 15, 1992 — Granted

f. Harry Seagrave
1402 - Junior Clerk - San Francisco General Hospital
Ordinary Disability Retirement — Denied

g. Sorge-Gardner, Susanne M.
Q-2 - Police Officer
Clarification
IDR effective Date: September 21, 1977
Date of Clarification
Application: December 19, 1991 — Granted

h. George C. Toy
Q-50 - Sergeant - Police Department
Determination
Effective Dates: November 14, 1989 - February 1, 1990 — Denied
August 1, 1989 - ongoing — Denied

5. PETITIONS FOR REHEARING

a. Yvonne Harbor
Q-2 - Police Officer - Police Department
Industrial Disability Retirement — Denied

b. John G. Mandas
H-40 - Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation — Denied

ACTION: It was moved by Breall, seconded by Gibson to adopt the Consent Calendar; motion passed 7-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Meiberger to hear the Supplemental Calendar; motion passed 7-0.

ITEM:

1. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE

   Lola Pettit

2. HEARING DECISIONS

   a. Exaltacao Barreto
   2950 - Sr. Eligibility Worker - Department of Social Services
   Ordinary Disability Retirement
   Effective Date: August 25, 1992 Granted

   b. Paul L. Stribling
   8146 - Criminal Investigator - District Attorney's Office
   PERS Disability Retirement
   Effective Date: July 1, 1992 Granted

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

   a. Michael D. Lee

   b. Rafael C. Trujillo

ACTION: It was moved by Breall, seconded by Wong to adopt the Supplemental Calendar; motion passed 7-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reviewed the following items with the Board:

1. The Retirement System has sent a representative to meetings on the question of developing an Eldercare insurance coverage program.

2. The Hartford is conducting deferred compensation educational meetings at the Hall of Justice October 19 - 23 and Board members are invited to a preview meeting October 8, 1992 at The Hartford Offices.

3.The staff has received a proposal from the San Francisco Transitional Housing Fund requesting consideration as a deferred compensation alternative.

4. Supervisor Annemarie Conroy has called for a management audit of the Retirement System on the following issues:

    - MIS Development
    - Workers' Compensation
    - Status of the Workers' Compensation Division Manager position
    - How Workers' Compensation exams are administered.

5. Update on The Hartford/SFERS contract negotiation. A preliminary meeting is scheduled for October 2, 1992 at 2:00 p.m.

6. A Team building seminar was conducted by Anne Godfrey of the Civil Service Training Division for 12 senior staff members. The training offered valuable tools and techniques and will probably lead to further sessions.

7. Members of the Board of Supervisors requested information and action on various items relating to the Retirement System at the Board of Supervisors' meeting of September 28, 1992. The items included:

    - Supervisor Hsieh requested a Charter Amendment be prepared to remove Workers' Compensation from the Retirement System.
    - Supervisor Migden requested a City Attorney opinion on steps required for an early retirement program to be offered to those not offered Proposition A, including Police and Fire members. Further, Supervisor Migden requested a Finance Committee hearing on such an early retirement program.
    - Supervisors Hsieh and Shelley requested a formal report from the Workers' Compensation Task Force.

CLOSED SESSION

The Retirement Board met in closed session pursuant to Government Code §65068 and §54956.9(a). The title of the case is *Meiberger v. San Francisco City and County Employees' Retirement System and Clare Murphy*, San Francisco Superior Court Number 945 564.

Upon returning to Public Session, President Ashe reported that the Retirement Board discussed this case and attendant personnel matters. The Board provided direction and authorized the City Attorney to continue negotiations with the petitioner.

BOARD MEMBERS

Commissioner Driscoll requested consideration of the Budget Analyst's report. The Board and staff engaged in a question and answer session on both the Report and the System's draft response. Supervisor Shelley expressed concern with the short time for review and stated he could not endorse the response.

ACTION: It was moved by Gibson, seconded by Breall to delegate finalization of the response to the General Manager and the President of the Board; motion passed 7-0.

There being no further business, the Board adjourned its regular meeting at 12:25 a.m., September 30, 1992.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 13, 1992

1:30 P.M.

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Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of September 29, 1992.

ACTION: Approved as Amended.

Retirement Board

Regular Meeting

Public Comment

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

INVESTMENT CALENDAR

1. REPORT ON CHARTERHOUSE/MIG PROPOSAL REGARDING AMERSCO

Joseph D. Driscoll, Commissioner, and Clare Murphy, General Manager, presented a written and oral presentation to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session.

ACTION: It was moved by Driscoll, seconded by Meiberger to authorize Joe Driscoll, Clare Murphy and investment staff with the City Attorney to convey the appropriate expression of intent to Nations' Bank concerning the San Francisco Employees Retirement System's effort to organize and direct a due diligence/closing team to work on Nations' offer to Charterhouse, Inc. provided that the offer is extended to November 15, 1992; motion passed 6-0.

REGULAR CALENDAR

1. DRAFT ANNUAL REPORT

Clare Murphy, General Manager, presented a written and oral presentation to the Board regarding this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. In addition, the Board proposed some changes in format and presentation. A final draft will be presented at a future meeting.

This was an information item only; no action was taken.

(Item 2 was considered after the Closed Session.)

3. UPDATE ON THE HARTFORD DEFERRED COMPENSATION CONTRACT NEGOTIATIONS

Clare Murphy, General Manager, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Wong to authorize its agent, Mercer to represent SFERS at a first meeting of good faith negotiation in the Hartford's Office provided that a letter agreeing to terms of payment and authority of SFERS consultant be received from the Hartford (Charles Clinton, Hartford, CT office) no later than October 19; motion passed 6-0.

4. DISCUSSION OF TRUSTEE/FIDUCIARY EDUCATION

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 7-92

2. REQUEST TO PURCHASE OF PART-TIME PRIOR SERVICE - JOAN WALLACE

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a. Pedro Fernandez $ 7,500.00

b. Norma Haymond $ 30,000.00

4. HEARING DECISIONS

a. Renetta Chandler
H-20 - Lieutenant - Fire Department
Continuation
Date of Application
for Continuation: October 23, 1986 Denied

b. William P. Egan
H-10 - Chief's Operator - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: August 14, 1991 Granted

5. PETITION FOR REHEARING

Dennis L. Newcomer
Q-2 - Police Officer - Police Department
Determination Denied
Industrial Disability Retirement/Stipulation Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Corinne L. Clabby

b. Vincent Repetto

c. Gregory L. Stewart

7. APPLICATION FOR BIRTHDATE CORRECTION

Cecilia R. Priego

ACTION: It was moved by Gibson, seconded by Meiberger to adopt the Consent Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reviewed the following items with the Board:

1. Clare Murphy was invited to speak before the SACRS meeting on November 19, 1992 at Long Beach. Airfare expenses will be paid by SACRS.

2. Franciscan Treatment Room will move to a new location within St. Francis Hospital. A luncheon/tour is provided sometime in December or January.

3. Metric Realty Advisors is requesting a date for a Christmas dinner.

4. Clare Murphy notified the Board of an informational meeting on Retirement Contribution Rates to be held Friday, October 23, 1992, 1:00-4:00 p.m. to discuss valuation and rate setting process.

5. The Civil Service Commission adopted a new Performance Appraisal System and will present an orientation for all Board members to attend in order to properly evaluate Clare Murphy, General Manager, and Kieran Murphy, Actuary. These sessions are provided at different times and held at the Civil Service Training Center, 44 Gough Street, Room 300.

6. Clare Murphy reported that the Administration and Oversight Committee of the Board of Supervisors considered Supervisor Anne Marie Conroy's request for a management audit by the Board of Supervisors Budget Analyst of the Retirement System at its meeting of October 13, 1992. The committee directed Mr. Ken Bruce, Ms. Clare Murphy and Supervisor Conroy to meet to further refine the scope of the audit. The item was continued to October 27, 1992.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Meiberger to hear the Supplemental Calendar; motion passed 5-0.

(Commissioner Driscoll was out of the room at the time of this vote.)

1. a. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Fred Arsanis $ 3,300.00

b. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Thomas C. Humphrey $ 5,500.00

2. HEARING DECISIONS

a. Gene J. Bernstein
H-10 Chief's Operator - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: April 4, 1992 Granted

b. Peter M. Sorenson
H-40 Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: February 29, 1992 Granted

c. George L. Vouchilas
H-40 Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: January 5, 1992 Granted

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Iceffine King

ACTION: It was moved by Breall, seconded by Gibson to adopt items 1 through 3 of the Supplemental Calendar; motion passed 6-0.

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Jose E. Martinez

ACTION: It was moved by Driscoll, seconded by Gibson to deny Martinez' request to withdraw funds from Deferred Compensation Plan.

5. UPDATE ON WORKERS' COMPENSATION - THIRD PARTY ADMINISTRATOR

Rudy Hernandez, Deputy General Manager, and Clare Murphy, General Manager, provided oral reports to the Retirement Board on the Workers' Compensation - Third Party Administrator process. The Controller has agreed to allow the Third Party Administrator to utilize either a trust fund or revolving fund process to issue vendor and injured worker payments. This change results in two significant changed conditions to the terms of the Request for Proposal. These changes are of such significance that the Request for Proposal needs to be amended and reissued.

The Board and staff engaged in a question and answer on this matter. The reissuance of a revised Request for Proposal and analysis of responses will delay implementation of Third Party Administrator contract until late in fiscal year 1992-93.

ACTION: It was moved by Driscoll, seconded by Breall to authorize staff to make appropriate changes to the Request for Proposal for Third Party Administrator and to secure review and acceptance of key representatives of the Workers' Compensation Task Force and further to release the Request for Proposal to all interested bidders; motion passed 6-0.

6. AUTHORIZATION OF CLARE MURPHY TO ATTEND SACRS TO PARTICIPATE IN THE PANEL ON NOVEMBER 19, 1992 WITH AIRFARE EXPENSE TO BE BORNE BY SACRS.

ACTION: It was moved by Gibson, seconded by Breall to authorize Clare Murphy to attend the SACRS meeting; motion passed 6-0.

BOARD MEMBERS

Commissioner Meiberger presented a written and oral presentation on a statistical analysis of the performance of the Fund's equity portfolios for the period from January 1, 1989 through June 30, 1992, and a style analysis produced by an outside vendor. Commissioner Meiberger presented a written and oral report on the performance of the Fund's equity index fund during the last seven months showing that it lagged the S & P 500.

Commissioner William Breall introduced the discussion of the Budget Analyst's Management Audit of the Early Retirement Program. Several Board members discussed their concerns about the report and press coverage of the report.

Commissioner William Breall reviewed with the Board a Chronicle article concerning the possibility that the City may seek to sell surplus properties to deal with the budget crisis. The Board discussed this matter and the staff agreed to review with the Department of Real Estate properties that might meet our Real Estate portfolio guidelines.

CLOSED SESSION

The Retirement Board met in closed session pursuant to Government Code Section 54956.9 to confer with and receive advice from, its legal counsel concerning the Board's response to the *Meiberger v. San Francisco City and County Employees' Retirement System and Clare Murphy*, San Francisco Superior Court Number 945 564.

The Retirement Board emerged from Closed Session. President Ashe reported that the Board was prepared to return to Regular Calendar Item 2 to enact a resolution which would resolve the lawsuit.

2. RESOLUTION CONCERNING RECORDING OF RETIREMENT BOARD PROCEEDINGS, RECORDS/INFORMATION REQUEST

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the Resolution (see attached) and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to approve the Resolution: motion passed 6-0.

There being no further business, the Board adjourned its regular meeting at 6:40 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

RECORD & INFORMATION REQUESTS

WHEREAS, Public policy demands that public records be open for inspection;

WHEREAS, Retirement Board members need broad and timely access to information to properly exercise their fiduciary duties;

WHEREAS, The secretary-general manager is charged with responsibility for compliance with the law and assisting retirement board members to fulfill their fuduciary duties;

THEREFORE BE IT RESOLVED THAT:

Public Records Act Requests

The secretary-general manager shall insure that the retirement system fully complies with the California Public Records Act ("CPRA") as contained in Govt Code §6250 et seq.,

The secretary-general manager shall prepare and submit to the retirement board, regulations stating the staff procedures to be followed to insure that retirement systems records are available to the general public as required by the CPRA.

Reporting of Retirement Board Meetings

All retirement board meetings shall be recorded by a certified shorthand reporter.

Any retirement board member or staff member may request that portions of retirement board meetings be transcribed. Such requests shall be calendared as consent items as soon as possible thereafter. If the retirement board does not approve such request, the requestor may order a transcription at his or her own expense.

Retirement Board Member Information Requests

Any retirement board member may request information in public session or during regular business hours.

When any retirement board member requests information and the information already exists in a reproducible form, the secretary-general manager or designate shall produce true and accurate copies within two business days.

The secretary-general manager may delay the response to a board member request for up to five additional calendar days if the secretary-general manager cannot reasonably produce such records. Any request for a delay shall be in writing and shall explain the reasons why there is a delay. A courtesy copy of a request for delay shall be furnished to the president of the retirement board.

If the secretary-general manager has a bona fide objection to producing information for a retirement board member, the secretary-general manager shall provide written objections and substantive explanation to the requesting member within five calendar days. A courtesy copy of any objection and substantive explanation shall be furnished to the president of the retirement board.

For purposes of inquiry, any retirement board member may directly contact the actuary, legal counsel, the chief investment officer and the workers compensation division manager.Retirement system employees shall report information requests received from retirement board members to the secretary-general manager.

Work Assignments

Retirement board members shall not require work assignments of staff without prior retirement board approval. Work assignments shall be directed through the general manager.

The distinction between inquiry and work assignments shall be whether substantial staff time is involved.

Compliance

Violation of any provision of this resolution shall be grounds for discipline.

MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 27, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of October 13, 1992.

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

INVESTMENT CALENDAR

3. ASSET ALLOCATION REPORT

Ken Shaffer, Chief Investment Officer, and Barry Dennis and Jim McKee of Callan Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session. Staff and consultant were directed to complete further analysis on some specific issues. Included among those items were: (1) assess the current target (2) further explore the assumption that there would be zero strategically allocated cash (3) further to analyze the impact of utilizing different firms return assessment, standard deviation and correlation factors.

This item will be recalendared on November 24, 1992 meeting for further Board consideration.

ACTION: No action was taken at this time.

1. PANEL DISCUSSION OF MINORITY/WOMEN-OWNED INVESTMENT MANAGER HIRING OPTIONS

This presentation by six individuals discussed topics related to the hiring of emerging minority/women-owned investment managers or trusts. These panelists were Philip Maisano, President, Evaluation Associates, Lois Block, Coordinator, EAI Americas Fund, Sandra L. Manzke, President, Tremont Partners/Minority Equity Trust, Marx Cazenove, President & CEO, Progress Trust, Xcylur R. Stoakley, Principal, Ark Capital Management, and Mary Cottrill, Investment Officer, California P.E.R.S.

Ms. Mary Cottrill of PERS discussed the specific experience of California Public Employees Retirement System in developing a farm team of minority and women-owned emerging managers. In addition, she discussed the process and resources required to monitor these managers.

The Board engaged in a question and answer with the panelists as well as commented on other parties' inquiries. A public comment was provided by Mr. Maceo Sloan, NCM Capital Management Group concerning the fact that the Board give consideration to employment of minority-owned firms without limiting those firms to size of assets under management. He pointed out that none of the minority-owned firms are among the top 300 investment firms within the country. Mr. Collins Spencer, EAI, expressed a hope that the Board would find a vehicle for including people of color in the investment business.

This was an information item only; no action was taken.

[Supervisor Shelley arrived during this presentation and left afterwards.]

2. REPORT ON EQUITY INDEX FUND

[Commissioner Meiberger arrived at this time.]

Ken Shaffer, Chief Investment Officer, presented a written and oral presentation to the Board regarding this item. Mr. Shaffer provided additional written material to the Board.

The Board reviewed and discussed the material and engaged in a question and answer with staff. Staff has identified a series of additional tasks which must be completed including additional research into alternative index fund methodologies. This report will be presented to the Board on November 24, 1992 meeting. The Board requested that Callan Associates include a measure of the San Francisco South Africa Free S & P 500 as a benchmark in future quarterly reports.

ACTION: No action was taken at this time.

4. REPORT ON CHARTERHOUSE/MIG PROPOSAL REGARDING AMERSCO

Joseph D. Driscoll, Commissioner, and Gary Hiatt, Portfolio Manager, presented an oral report on the assessment of investment opportunity prepared by Mr. Michael Cronin of Weston-Presidio.

The Board discussed the issue and engaged in a question and answer with staff.

ACTION: It was moved by Driscoll, seconded by Breall to thank Charterhouse for their extension of the investment opportunity to the Retirement Board. However, the Board determined to withdraw the expression of intent to engage in further due diligence related to the potential acquisition of a subdivision of Nations' Bank; motion passed 6-0.

Following this presentation, the Chief Investment Officer provided the Board with correspondence relating to the equity-related real estate strategic plan and a receipt and review confirmation required of each real estate manager.

REGULAR CALENDAR

1. SUPPLEMENTAL APPROPRIATION - WORKERS' COMPENSATION

Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board regarding the requests for additional funding based on projections for the preferred provider discounts program.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Wong to approve by resolution a supplemental appropriation in the amount of $140,000.00 to utilize Reviewco's license with the Compro Preferred Provider Organization; motion passed 6-0.

2. UPDATE ON WORKERS' COMPENSATION - THIRD PARTY ADMINISTRATOR PROCESS

Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board on the process to be followed for hiring a Third Party Administrator (TPA) for the Workers' Compensation Division.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to authorize the subcommittee of the Workers' Compensation Task Force responsibilities

to select those TPAs which will make a presentation before the Retirement Board for consideration as claims administrator for the Workers' Compensation division. In addition, the Board approved the inclusion of the subcommittee members in questioning the TPAs by questions placed through the Chair at the presentation and further that the subcommittee will provide recommendation to the Retirement Board subsequent to the presentations. Finally, the Board requested that an invitation be extended to the Board of Supervisors' Budget Analyst's representative to play an active part on the subcommittee evaluating Third Party Administrator; motion passed 6-0.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 8-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Ronald Gardner	$ 6,000.00
b.	Samuel Riskin	$ 20,000.00
c.	Leon Stevenson	$ 27,500.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Robert J. Guinan	$ 2,935.86
b.	Anthony Hampton	$ 1,085.78
c.	Marshalyn Simmons	$ 4,333.33
d.	Craig Tom	$ 963.86

4. HEARING DECISIONS

a. Raymond Colla
Q-50 Police Sergeant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: February 18, 1992 Granted

b. Paul Davis
H-30 Captain - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: July 7, 1992 Granted

c. Lavelle Holmes
2323 Clinical Nurse Specialist - Public Health - SFGH
Ordinary Retirement Disability
Effective Date: April 1, 1992 Granted

d. Alan L. Perini
Q-60 Lieutenant - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: August 3, 1991 Granted

e. Aldo J. Rossetto
H-2 Firefighter - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: August 13, 1992 Granted

f. Helene Valencia
Q-2 Police Office - Police Department
Determination
Effective Date: November 8, 1991-December 8, 1991 Granted

g. Michael D. Weissgerber
H-2 Firefighter - Fire Department
Industrial Disability Retirement
Effective Date: October 30, 1992 Granted

h. Jeffery Williams
2708 Custodian - Recreation and Park Department
Ordinary Retirement Disability
Effective Date: August 1, 1992 Granted

i. Richard T. Winiecki
Q-2 Police Officer - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: October 7, 1992 Granted

5. PETITION FOR REHEARING

a. Richard L. Blackburn
H-30 Captain - Fire Department
Industrial Disability Retirement/Stipulation Denied

b. Roger E. Foge
Q-2 Police Officer - Police Department
Industrial Disability Retirement/Stipulation Denied

c. James P. Lassus
Q-2 Police Officer - Police Department
Industrial Disability Retirement Denied

d. Gilberto A. Martinez
7306 Automotive Body and Fender Worker - Public Utilities/MUNI
Ordinary Retirement Disability
Effective Date: May 1, 1991 Granted

e. Harry Seagrave
1402 Junior Clerk - Public Health Department
Ordinary Disability Retirement Denied

f. Robert Stephenson
H-2 Firefighter - Fire Department
Industrial Disability Retirement/Stipulation Denied

g. Christina Torres-Tsiliacos
Q-2 Police Office - Police Department
Industrial Disability Retirement Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Paul M. Anderson, Jr.

7. APPLICATION FOR BIRTHDATE CORRECTION

Ma. Teresa C. Walters

ACTION: It was moved by Breall, seconded by Gibson to adopt the Consent Calendar except for item 5a which will be recalendared on the November 10,1992 meeting; motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Meiberger to hear the Supplemental Calendar; motion passed 6-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Raymond Brown	$ 2,431.97
b.	Evans Cole	$ 1,361.23
c.	Mario Delgadillo	$ 379.90
d.	Craig Farrell	$ 1,312.63
e.	Percy Jones	$ 1,504.21
f.	Marion F. Lacey	$ 1,254.61
g.	Kevin Mennix	$ Assignment of Lien

2. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Richard M. McVey

3. AUTHORIZATION FOR ROBERT PARMELEE, CHIEF ACCOUNTANT, TO ATTEND CALAPRS ACCOUNTANTS ROUNDTABLE DISCUSSION IN COSTA MESA ON NOVEMBER 13, 1992

ACTION: It was moved by Breall, seconded by Gibson to adopt the Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reviewed the following items with the Board:

1. The annual audit of the San Francisco Employees Retirement System was conducted by Peat Marwick. The audit has been successfully completed and no management letter will be sent.

2. The 1110 Executive Assistant to the General Manager list has been posted and interviews will begin upon completion of protest period.

3. a. The Hartford conducted one week of presentations at the Hall of Justice covering three different phases of member participation in the plan.

   b. William M. Mercer representatives, serving as consultant/negotiators for SFERS, met with The Hartford representatives in Hartford Connecticut on Monday, October 26, 1992. A report on the meeting and material to follow will be presented at November 24, 1992 Retirement Board meeting.

4. The Retirement System conducted its presentation on "How City Contribution Rates are Set", Friday, October 23, 1992 in the afternoon. Approximately 30 individuals attended including one Supervisor's aide and a representative of the Budget Analyst's Office. The presentation was well received.

5. OBAE Audit notice was received from Division of Workers' Compensation, Department of Industrial Accidents.

6. Mayor's Office is sending Workers' Compensation questionnaire to department heads.

7. Budget for 1993-94 will be due at Controller's Office on February 1, 1993.

8. June, 1993 Election is uncertain.

BOARD MEMBERS

President Ashe requested that Dan Maguire, Deputy City Attorney, send Supervisor Kevin Shelley the City Attorney's opinion concerning fiduciary responsibility and liability. His request was the result of Supervisor Shelley's comments relating to balancing fiduciary responsibility with social justice concerns.

Commissioner Breall raised concerns about the seventh member of the Board failing to regularly attend meetings and being unable to remain present at an entire meeting when he did attend.

Commissioner Driscoll reviewed matters concerning the Civil Service Commission Performance Evaluation Training which he had attended the week prior. He expressed concerns about the requirement to complete required evaluations by January 29, 1993. He moved and Commissioner Breall seconded a motion to create an Ad Hoc Committee to begin the performance evaluation process to be composed of Commissioner Gibson and President Ashe; motion passed 6-0.

There being no further business, the Board adjourned its regular meeting at 7:30 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

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November 10, 1992

MEMORANDUM

To: The Retirement Board

From: Clare M. Murphy
General Manager

Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
11/10/92	1:30 p.m.	**Regular Meeting** Actuarial Experience Analysis Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation
11/24/92	11:30 a.m.	**Regular Meeting** Callan Associates Presentation External Managers Presentations Alternative Investment Semi-Annual Review Alternative Asset Presentation Mercer Report on Hartford Negotiations Asset Allocation Report and Recommendation SAF Index Fund Report and Recommendation Resolution on Direct Transfer and Withholding Tax
12/8/92	1:30 p.m.	**Regular Meeting** Alternative Asset Presentation Real Estate Manager Presentation Quarterly Report on Real Estate Performance Quarterly Report on International Investments Determination of Economic Assumptions
12/29/92	1:30 p.m.	**MEETING CANCELLED**
01/12/93	1:30 p.m.	**Regular Meeting** Minority Equity Trust Recommendation Retirement System Budget for FY 93-94 Actuarial Valuation City Contribution Rate Setting
01/26/93	1:30 p.m.	**Regular Meeting** Review and Selection of Workers' Compensation TPA Finalists Multi-Company Proxy Issues Report/Social Policy Issues

02/02/93	1:30 p.m.	**Special Meeting** Workers' Compensation TPA Presentations
02/09/93	1:30 p.m.	**Regular Meeting** Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation Alternative Investment Presentation
02/23/93	1:30 p.m.	**Regular Meeting** Review of the Statement of Economic Interest Callan Associates Presentation External Manager Presentation Multi-Company Proxy Issue Report/Corporate Governance
03/09/93	1:30 p.m.	**Regular Meeting** Election of Officers Quarterly Report on International Investments
03/30/93	1:30 p.m.	**Regular Meeting** Cost of Living Allowance for Retirees Real Estate Manager Presentation Quarterly Report on Real Estate Performance Alternative Asset Presentation
04/13/93	1:30 p.m.	**Regular Meeting**
04/27/93	1:30 p.m.	**Regular Meeting** International Fixed Manager Revenue
05/11/93	1:30 p.m.	**Regular Meeting** Retirement System Investment Budget for FY 93-94 Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation
05/25/93	1:30 p.m.	**Regular Meeting** St. Francis Hospital Contract Renewal Workers' Compensation Reviewco Contract Renewal Actuarial Contracts Callan Associates Presentation External Manager Presentation Alternative Investment Semi-Annual Report
06/08/93	1:30 p.m.	**Regular Meeting** Quarterly Report on International Investments
06/29/92	1:30 p.m.	**Regular Meeting** Alternative Investment Presentation Real Estate Manager Presentation Quarterly Report on Real Estate Performance

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO

1155 Market Street, Second Floor, San Francisco

TUESDAY, NOVEMBER 10, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
Absent:	Bonnie K. Gibson	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of October 27, 1992.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1992

   Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer with staff.

   This was an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1992

   Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer with staff.

   This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1992

   Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board

on this item.

The Board reviewed and discussed the material and engaged in a question and answer with staff.

This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING JANUARY 31, 1993

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer with staff.

ACTION: It was moved by Meiberger, seconded by Breall to accept the staff's recommendation on asset allocation for the period ending January 31, 1993; motion passed 4-0.

[Vice President Wong arrived at this time.]

5. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes:

There were no proxy votes discussed.

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of October, 1992.

c. Mr. Shaffer discussed the brokerage questionnaire and validates capitalization which includes audited financial statements and focus reports.

This was information item only; no action was taken.

[Supervisor Shelley arrived at this time.]

PUBLIC COMMENT

Ms. Judith Knecht, representing Ms. Letty Catchings, widow of Harry Catchings, requested that the Retirement Board agree to hear her petition to change Harry Catchings' date of retirement. The Board agreed that they would consider the case on December 8, 1992. The Board further directed that Ms. Knecht prepare and provide to the Retirement System General Manager her request and documentation no later than November 24, 1992. The City Attorney's response for the City and any further documentation must have been provided to Ms. Knecht by December 1, 1992. During this discussion, Ms. Knecht provided additional information for Board members' review.

REGULAR CALENDAR

1. FISCAL YEAR 1991-92 ACTUARIAL EXPERIENCE ANALYSIS

   Kieran Murphy, Actuary, Mark Mactas and Valerie Stevens of Towers, Perrin & Forster & Crosby, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer with Mr. Mactas and Ms. Stevens and staff.

   This was an information item only; no action was taken.

2. PETITION FOR REHEARING - RICHARD L. BLACKBURN

   Dan Maguire, Deputy City Attorney, presented an oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer with staff. This item is to be continued on November 24, 1992 meeting for further Board consideration.

   ACTION: No action was taken at this time.

3. REQUEST AUTHORIZATION FOR STAFF TO CONDUCT AN ON-SITE DUE DILIGENCE MEETING WITH FOOTHILL PARTNERS II, LP, LOS ANGELES, CALIFORNIA WITH A DATE TO BE DETERMINED

   Clare Murphy, General Manager, presented a written and oral report to the Board on the on-site due diligence meeting with Foothill and Freemen Spiogli Partners II.

The Board reviewed and discussed the material and engaged in a question and answer with staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to authorize staff to conduct an on-site due diligence meeting with Foothill Partners II, LP, Los Angeles, California; motion passed 6-0.

[Supervisor Shelley left the meeting at this time.]

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 9-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

   a. Nathaniel Harris $ 14,500.00

   b. Marcus Lee $ 10,750.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   Mona L. Barron $ 882.64

4. HEARING OFFICER DECISION

   Gary Meltzer
   H-32 Captain - Fire Department
   Industrial Disability Retirement/Stipulation
   Effective Date: March 18, 1992 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

   a. Gwendolyn Cook

   b. Kenneth Johnson

c. Regina La Ray Scott

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Consent Calendar; motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Wong, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

   a. Karimah Ali $ 1,500.00

   b. Daniel Hawkins $ 1,100.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   a. Patricia Collins $ 1,899.24

   b. Martin Sacco $ 1,667.28

3. PETITION FOR REHEARING

   Kenneth C. Cantamount
   Q-2 Police - Fire Department
   Determination — Granted in part / Denied in part

ACTION: It was moved by Breall, seconded by Wong to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reviewed the following items with the Board:

1. The Prospective Retirement Board Meeting Schedule and Topics was presented showing tentative topics through June 30, 1993. After discussion with the Board, it was determined that the November 24th Retirement Board meeting will commence early at a special time of 11:30 a.m.

2. OBAE Audit of the Retirement System Workers' Compensation Division will commence on November 30, 1992.

3. The Workers' Compensation Task Force conducted its most recent meeting on Tuesday, November 10. The Task Force will meet in all future meetings as a public body in compliance with the Brown Act and provide public notice of the agenda and discussion items. Next meeting will occur on February, 1993.

4. Negotiations between The Hartford and William Mercer on behalf of San Francisco Employees Retirement System are continuing. Formal report will be made on November 24, 1992.

5. Membership Renewals for International Foundation of Employee Benefit Plans and CALAPRS are due. In each case, costs have gone up.

6. Metric Realty Advisors invites Board and Staff to Holiday Dinner on December 8, 1992 at 7:30 p.m.

7. Trustees Journal was distributed for Board members' comment.

8. Educational Opportunities list was provided to Board members. The Board decided that this list should be updated at least quarterly.

9. Election results affecting the Retirement System include:

   (a) Proposition F (Retiree Adhoc Cost of Living Adjustment); passed 54.7% - 45.2%.

   (b) Proposition G (Pension Benefit Coordination); passed 74.5% - 25.4%.

   (c) California Proposition 162 - Public Employee Retirement System's Initiative Constitutional Amendment; passed 51% - 49%.

The Board discussed passage of Proposition 162 and determined that a City Attorney's opinion should be requested on its application and implementation.

BOARD MEMBERS

Commissioner Meiberger distributed a copy of the State Constitutional Amendment Proposition 162 related to Public Employees Retirement System. The Board discussed the San Francisco Examiner article dated October 29, 1992 concerning minority managers.

President Ashe discussed crank mail. The Board agreed with him that any crank mail or anonymous letters directing accusations or slurs against staff should be shared with the President of the Board, General Manager and the City Attorney for review and advise. Then, only after the City Attorney's advice that any crank mail or anonymous letters would be distributed or investigated.

There being no further business, the Board adjourned its regular meeting at 5:45 p.m. in honor of the happy and blessed event of Daniel Dolan Winkler's birth to Commissioner Bonnie Gibson with best wishes for baby and parents. It was moved by Meiberger, seconded by Breall; motion passed 5-0.

Respectfully submitted,

Clare M. Murphy
General Manager

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RETIREMENT BOARD
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1155 Market Street, Second Floor, San Francisco

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TUESDAY, NOVEMBER 24, 1992

11:30 A.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of November 10, 1992.

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

[Commissioner Gibson arrived at this time.]

1. WILLIAM M. MERCER REPORT ON HARTFORD NEGOTIATIONS

Ian Altman and Bob Blum of William M. Mercer, presented a written and oral report to the Board on this item. Pat Kalasardo of the Hartford presented a written and oral response to the Mercer report.

The Board reviewed and discussed the material and engaged in a question and answer session with staff, Mercer consultants and Mr. Kalasardo of the Hartford. The Board met further with Mr. Altman and Mr. Blum after the Hartford representatives had left the room. The Board, staff and consultants reviewed negotiating strategy and alternatives.

ACTION: It was moved by Gibson, seconded by Meiberger to direct Mercer to proceed with verification of outstanding issues and provide a written report describing the Board's alternatives with respect to the Hartford contract at the Board meeting of January 12, 1993; motion passed 6-0.

[Commissioner Gibson left the meeting at this time.]

2. RESOLUTION ON DIRECT ROLLOVER AND WITHHOLDING TAX

Maria Newport, Administrator, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to adopt the resolution on direct rollover and withholding tax; motion passed 5-0.

3. ANNUAL REPORT FINAL DRAFT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board directed three adjustments to the annual report.

ACTION: It was moved by Driscoll, seconded by Wong to adopt the 1991-92 Annual Report; motion passed 5-0.

INVESTMENT CALENDAR

1. ASSET ALLOCATION REPORT AND RECOMMENDATION

Ken Shaffer, Chief Investment Officer, and Barry Dennis and Jim McKee of Callan Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff and consultants.

ACTION: It was moved by Driscoll, seconded by Meiberger to approve the asset allocation report and recommendation as amended (asset allocation report attached); motion passed 5-0.

2. CALLAN ASSOCIATES PERFORMANCE MEASUREMENT PRESENTATION

Barry Dennis of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. EXTERNAL MANAGERS PRESENTATIONS

Representatives from Ark Asset Management, Hanson Investment Management and Oechsle International Advisors presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. INDEX FUND REPORT AND RECOMMENDATION

Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to accept the index fund report and recommendation; motion passed 5-0.

5. ALTERNATIVE ASSET PRESENTATION

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis Bailey Associates, presented a written and oral report to the Board regarding a commitment to TA Associates.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to accept the staff recommendation to commit up to $10 million to TA Associates pursuant to the positive outcome of meeting(s) between principals of TA Associates and interested Board members with final action on the commitment to occur by Board action on December 8, 1992; motion passed 5-0.

6. ALTERNATIVE INVESTMENT SEMI-ANNUAL REVIEW

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis Bailey Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff on the need for additional reporting on alternative investments and agreed to more regular updates and advance notice of investment opportunities.

This was an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Company Proposal	For	Against
Offshore Logistics, Inc.		
Amend the Certificate of Incorporation to prohibit foreign ownership of more than 25% of voting interest	5	0

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 10-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Ann F. Crow $ 10,000.00

3. HEARING OFFICER DECISION

a. Clyde G. Blount
Q-50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation Denied

b. Ellen Hunter
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: May 1, 1992 Granted

c. Olivia Lee
9139 Transit Supervisor - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: June 1, 1992 Granted

d. Samuel Liu
1843 Executive Director - Public Works
Ordinary Retirement Disability
Effective Date: October 18, 1992 Granted

e. William Molina
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability/Stipulation
Effective Date: January 5, 1991 Granted

f. Paul J. Murray
H-24 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation Denied

g. Dan Pennisi
H-2 Firefighter - Fire Department
Determination
Effective Date: November 1, 1990-February 27, 1991 Granted
Industrial Disability Retirement
Effective Date: March 1, 1991 Granted

4. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPT OF ACTUARIAL PRESENTATION, NOVEMBER 10, 1992 MEETING

ACTION: It was moved by Breall, seconded by Wong to adopt the Consent Calendar with the exception of 3G which is to be calendared for the next board meeting; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Marian Helmus	$ 9,500.00
b.	Kathleen Kelley	$ 1,100.00
c.	Melvin Pittman	$ 18,500.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Edbert Dare	$ 15,233.00
b.	Valeria I. Ellis	$ 6,587.09
c.	Carroll Henry	$ 7,207.17
d.	Harvey Iosua	$ 30,500.00
e.	Robert Mattox	$ 4,311.64
f.	Benjamin S. Mosqueda	$ 1,666.67

3. HEARING DECISION

a. Susan McGregor
0710 Court Reporter - Superior Court
Ordinary Retirement Disability
Effective Date: July 1, 1992 — Granted

b. Frank R. Petuya
Q-50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation — Denied

4. JOIN APPLICANT'S REQUEST FOR A REHEARING

Robert Harris - PERS
San Francisco Police Department
Industrial Disability Retirement — Denied

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, reviewed the following items with the Board:

1. Ms. Murphy presented copies of two newspaper articles relating to disability and worker's compensation benefits for City employees. She reported that the activities for the Police Department in surveilling injured workers was done with full knowledge of the Worker's Compensation Division and City Attorney's Office. This activity has resulted in a significant decrease in a number of police officers on disability pay.

   Ms. Murphy reported on disability fraud as asserted by Supervisor Hsieh. Dr. Breall and other Board members discussed the issue of the Worker's Compensation at length.

2. Ms. Murphy circulated a copy of a newspaper article reporting that Supervisor Conroy has introduced a resolution proposing that the Retirement Board further adjust the 1992-93 contribution rates. A copy of the resolution was also distributed.

3. The Request for Proposal for Worker's Compensation Third Party Administrator (TPA) was distributed to all known eligible firms on Friday, November 20 as planned in our TPA selection schedule.

4. Ms. Murphy reported that the Retirement System Christmas Party will occur on December 11, 1992 at the Cable Car Barn and invited Board members to attend.

5. She reported that the Special Committee on the City's impending fiscal crisis is considering a proposal to extend the amortization of the unfunded liability of the plan. Further reports will be provided at future meetings.

6. Ms. Murphy reminded the Board members of the Capital Guardian lunch on December 7 and requested that the Board members confirm their attendance with Capital Guardian directly.

7. Finally, Ms. Murphy reported that Mr. Norm Nickens has been selected to serve as the new Executive Assistant to the General Manager and that he will report for duty on January 4, 1993.

BOARD MEMBERS

No items were presented.

There being no further business, the Board adjourned its regular meeting at 9:15 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Investment Division

MEMORANDUM

DATE: November 18, 1992

TO: Members of the Retirement Board

THROUGH: Clare M. Murphy
General Manager

FROM: Kenneth L. Shaffer
Chief Investment Officer

SUBJECT: Asset Allocation Study

This Callan review of long term asset allocation is separate and distinct from staff generated short-term quarterly asset allocations. This long term review is necessary primarily because of changes in the Retirement System liabilities and changes in the capital markets, but also because our quarterly process does not focus on achieving the long-term goals. The following is a summary of asset allocations by Callan, Brinson and staff recommendation:

	Old Target	Callan Recom.	Brinson Optimization	Staff* Recom.
Domestic Equity	30%	26% + 2%	25%	27%
International Equity	6	7 + 1	5	6
Domestic Fixed Inc.	42	44 + 2	48	45
International Fixed Inc.	7	10 + 1	9	9
Real Estate	10	8 + 2	8	8
Alternative Investments	5	5 + 1	5	5

The staff recommendation falls within the permitted ranges of Callan while recognizing Brinson's lower expected returns in equities and international asset classes. The major differences in the new recommendations are reduction in the long-term target for domestic equities from 30% to 26% while increasing domestic fixed from 42% to 46% and reducing real estate two percentage points.

Because of the different environment we are now in, staff recommends adoption of these new weightings as the long-term targets for asset allocation. Staff will continue to bring to the board quarterly recommendations for the purpose of allocating cash flow and achieving the long-term targets.

Attached are the Brinson Asset Mix Alternatives and the Callan Report.

*As amended by Board Action on November 24, 1992.

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TUESDAY, DECEMBER 8, 1992

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
Absent:	Bonnie K. Gibson	Commissioner
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of November 24, 1992.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. HARRY CATCHINGS' LITIGATION UPDATE

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item. Judith Knecht and Letty Catchings presented their request to the Retirement Board.

The Board reviewed and discussed the material and engaged in a question and answer session with Mr. Maguire, Ms. Judith Knecht and Ms. Letty Catchings.

ACTION: It was moved by Driscoll, seconded by Meiberger to deny the request for Mrs. Catchings to receive the option 2 benefit; motion passed 5-0. It was moved by Driscoll, seconded by Meiberger to direct the City Attorney to report on what alternative benefits are legally available to Mrs. Catchings, the report to be considered by the Board on January 12, 1993; motion passed 5-0.

2. JAMES M. MULLAN REQUEST TO REDEPOSIT CONTRIBUTIONS PREVIOUSLY WITHDRAWN

Maria Newport, Administrator, presented a written and oral report to the Board on this item. Mr. Mullan also made a presentation on his behalf.

The Board reviewed and discussed the material and engaged in a question and answer session with Mr. Mullan and staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to adopt the staff recommendation to deny Mr. Mullan's request to redeposit contributions

previously withdrawn; motion passed 5-0.

3. ACTUARIAL EXPERIENCE ANALYSIS REPORT AND RECOMMENDATION

Kieran Murphy, Actuary, Mark Mactas and Valerie Stevens of Towers, Perrin & Forster & Crosby, presented a written and oral report to the Board on all issues and specifically focused on salary assumptions.

The Board reviewed and discussed the material and engaged in a question and answer session with the actuary and consulting actuaries.

ACTION: It was moved by Meiberger, seconded by Wong to adopt the actuarial experience analysis report and revised recommendation. That recommendation being: interest earnings' assumption - 8%, salary inflation assumption - 5 1/2%, and cost of living increase assumption - 5%; motion passed 5-0.

4. REQUEST FOR AUTHORIZATION FOR RETIREMENT BOARD PRESIDENT PETER ASHE TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS' EXECUTIVE COMMITTEE MEETING IN WASHINGTON, DC ON JANUARY 12, 1993

Clare Murphy, General Manager, presented a written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to approve the request for authorization to attend the Council of Institutional Investors' Executive Committee meeting in Washington, D.C. on January 12, 1993; motion passed 5-0.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE

Kevin Lynch of Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with Mr. Lynch and staff.

ACTION: No action was taken at this time. This item is to be calendard on January 26, 1993 meeting.

2. REAL ESTATE MANAGER PRESENTATION

Vernon Bennett, National Marketing Director, and Ron Zuzack, Director of Asset Services, of Metric Institutional Realty Advisors presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[The following Investment Items were heard out of sequence.]

5. FINAL ACTION REGARDING COMMITMENT TO TA ASSOCIATES ADVENT VII

Ken Shaffer, Chief Investment Officer, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to confirm commitment to TA Associates Advent VII, motion passed 5-0.

6. REQUEST FOR EXEMPTION FROM SOUTH AFRICA RESTRICTION

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board to exempt various companies from South Africa restriction.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to adopt staff's recommendation to exempt Boeing Company, Caterpillar Tractor and Schlumberger from South Africa restriction list only. The Board directed

the staff to discuss further with investment managers the other requests; motion passed 5-0.

3. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME INVESTMENTS

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. QUARTERLY REPORT ON INTERNATIONAL EQUITY INCOME INVESTMENTS

Carolyn Hamilton, Porfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of November, 1992.

c. Mr. Shaffer discussed the following items: (1) review of emerging manager issue (2) alternative investment projected activity report (3) Index Fund restructuring.

This was information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 11-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

   Barbara J. Less — $ 5,000.00

3. HEARING OFFICER DECISION

   a. Robert S. Flahavan
      9212 Airfield Safety Officer - Airport Commission
      Ordinary Retirement Disability/Proposition A
      Effective Date: March 30, 1992 — Granted

   b. James R. Gorman
      H-2 Firefighter - Fire Department
      Industrial Disability Retirement
      Effective Date: October 31, 1992 — Granted

   c. June Hayes
      2708 Custodian - San Francisco Unified School District
      Ordinary Retirement Disability
      Effective Date: September 21, 1992 — Granted

4. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF OCTOBER 27, NOVEMBER 10 AND NOVEMBER 24, 1992

ACTION: It was moved by Meiberger, seconded by Breall to adopt the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Breall, seconded by Meiberger to hear the Supplemental Calendar; motion passed 5-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Carl T. English	$ - 0 -
b.	George E. Sekols	$ 1,000.00
c.	Lillie P. Butler	$ 21,245.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Michael Mullane	$ 4,532.60
b.	Thomas Underwood	$ 5,440.78

3. PETITION FOR REHEARING

Thomas J. Dickson
0380 Inspector - Police Department
Industrial Disability Retirement/Stipulation — Denied

4. HEARING DECISION

Dan Pennisi
H-2 Firefighter - Fire Department
Determination
Effective Date: November 1, 1990-February 27, 1991 — Granted
Industrial Disability Retirement
Effective Date: March 1, 1991 — Granted

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Lisa Dombroski

ACTION: It was moved by Breall, seconded by Driscoll to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy extended to the Board happiest season and holiday greetings from the staff and reminded Board members of our holiday party at the Cable Car Museum on Friday, December 11.

2. Ms. Murphy informed the Board that the Veteran Police Organization requested a hearing before the Retirement Board regarding the computation of COLA adjustments. The specifics of their request have been referred to the City Attorney for review and assessment. The item will be calendared when that research is completed.

3. Rudy Hernandez, Deputy General Manager, provided the Board with an update on the RFP for Third Party Administrators. That update included a copy of the Request for Proposal a list of those companies who were sent the Request for Proposals and the list of those companies which have submitted a letter of intent to reply.

4. Ms. Murphy reported that the staff is monitoring the Joint Task Force meetings concerning the budget problems for 1993-94. No details to report at this time.

5. Ms. Murphy reported on the following items related to the Hartford Deferred Compensation Program.

    a. She provided a copy of Hartford's response to Commissioner Driscoll's questions concerning justification of the $7.8 million contingent deferred sales' charge.

    b. She also provided a letter from the Hartford headquarter's office describing the new guaranteed rates for the general account to be effective July 1, 1993.

    c. Finally, she reported the enhanced service features which will be added to the 800 number.

6. Ms. Murphy provided the Board with an updated listing of educational opportunities. She further reported that RREEF, Metric, and Banker's Trust had requested a showing of interest by Board members should they wish to attend the client meetings scheduled for the first quarter of 1993.

BOARD MEMBERS

President Ashe reviewed a letter from Mayor Frank M. Jordan concerning the Board of Supervisors' Resolution urging re-adjustment of 1992-93 City rates of contribution.

President Ashe discussed a letter copied to Retirement Board concerning a protest of Civil Service exam process. Staff will provide further report at the January 26, 1993 meeting.

There being no further business, the Board adjourned its regular meeting at 7:35 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

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TUESDAY, JANUARY 12, 1993

1:30 P.M.

Present:	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
Absent:	Peter D. Ashe	President

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of the Regular Meeting of December 8, 1992.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

Vice President Wong reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. REQUEST TO APPROVE THE RETIREMENT SYSTEM BUDGET FOR FISCAL YEAR 1993-94

   Rudy Hernandez, Deputy General Manager, Ken Shaffer, Chief Investment Officer, and Bob Parmelee, Chief Accountant, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Meiberger, seconded by Gibson to approve the Retirement System Budget for fiscal year 1993-94, and to request the staff to prepare a report on the Management Information System for a future Board meeting; motion passed 5-0.

   [Supervisor Shelley arrived at 1:53 p.m., after the adoption of the minutes.]

2. PRESENTATION OF ACTUARIAL VALUATION

   Kieran Murphy, Actuary, and representatives from Towers, Perrin & Forster & Crosby, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with the actuary and consulting actuaries.

   ACTION: It was moved by Shelley, seconded by Gibson to adopt and accept the actuarial valuation; motion passed 6-0.

3. RECOMMENDATION OF CITY CONTRIBUTION RATES FOR FISCAL YEAR 1993-94

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with the actuary and consulting actuaries.

ACTION: It was moved by Shelley, seconded by Driscoll to adopt the recommendation of City Contribution Rates for fiscal year 1993-94; motion passed 6-0.

4. REQUEST FOR AUTHORIZATION FOR RETIREMENT BOARD PRESIDENT PETER ASHE TO ATTEND THE RREEF SEPARATE ACCOUNT EDUCATIONAL SEMINAR TO BE HELD ON JANUARY 28-30, 1993 IN LA QUINTA, PALM SPRINGS, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Gibson to approve the request for authorization to attend the RREEF Separate Account Educational Seminar on January 28-30, 1993 in La Quinta, Palm Springs, CA; motion passed 5-0.

[Supervisor Shelley was out of the room at the time of the vote.]

5. REQUEST FOR AUTHORIZATION FOR RETIREMENT BOARD PRESIDENT PETER ASHE TO ATTEND THE INSTITUTIONAL INVESTOR INSTITUTE'S PUBLIC FUNDS ROUNDTABLE TO BE HELD ON FEBRUARY 25-26, 1993 IN MARINA DEL REY, CA

Clare Murphy, General Manager, presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to approve the request for authorization to attend the Institutional Investor Institute's Public Funds Roundtable to be held on February 25-26, 1993 in Marina Del Rey, CA, motion passed 5-0.

[Supervisor Shelley was out of the room at the time of the vote.]

6. REQUEST FOR AUTHORIZATION FOR RETIREMENT BOARD PRESIDENT PETER ASHE TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS SEMI-ANNUAL MEETING TO BE HELD ON MARCH 25-26, 1993 IN WASHINGTON, D.C. AND THE PUBLIC RETIREE BENEFITS CONFERENCE TO BE HELD ON MARCH 29, 1993 IN WASHINGTON, D.C.

Clare Murphy, General Manager, presented a written and a revision of the dates and expense report in her oral presentation to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger to approve the request for authorization to attend the Council of Institutional Investors Semi-Annual Meeting to be held on March 25-26, 1993 in Washington, D.C. and the Public Retiree Benefits Conference to be held on March 28-31, 1993 in Washington, D.C., motion passed 5-0.

[Supervisor Shelley left the meeting at 2:50 p.m.]

INVESTMENT CALENDAR

1. REQUEST FOR EXEMPTION FROM SOUTH AFRICA RESTRICTION

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger to accept the staff recommendation. It was an amended motion by Driscoll, seconded by

Gibson to remove Kellogg Company only from the Index Fund; motion passed 5-0. It was moved by Meiberger, seconded by Breall to allow active managers to trade; motion failed 2-3 (Meiberger, Breall)

2. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of December, 1992.

This was information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 12-92

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - BETTY TSUGAWA

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Manuel Catania	$ 1,808.20
b.	John Graham	$ 30,000.00
c.	Juana Palma	$ 5,700.00
d.	Gregorio P. Pebenito	$ 75,000
e.	Everett P. Ryan	$ 26,451.00
f.	Elmer A. Trujillo	$ 10,000.00
g.	Michael Wilton	$ 9,833.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Sharon Denise Fincher	$ 631.80
b.	Degenhart Hueck	$ 2,273.20

5. HEARING OFFICER DECISION

a. John E. Byrd
9102 Transit Car Cleaner - Public Utilities Commission/MUNI
Ordinary Retirement Disability/Stipulation
Effective Date: December 16, 1992 — Granted

b. John James Courtney
8314 Chief Deputy Sheriff - Sheriff's Department
PERS — Denied

c. Warren A. Kentzell
H-10 Chief's Operator - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: July 9, 1992 — Granted

d. Florence Lowery
1720 Data Entry Operator - Public Health/SFGH
Ordinary Retirement Disability/Stipulation
Effective Date: December 15, 1992 — Granted

e. Thomas McGrath
0380 Inspector - Police Department
Industrial Disability Retirement/Stipulation — Denied

f. Valerie O'Brien
0700 Teacher - San Francisco Unified School District
Ordinary Retirement Disability/Proposition A
Effective Date: March 28, 1992 — Granted

g. James A. Pierce
H-20 Lieutenant - Fire Department
Industrial Disability Retirement
Effective Date: July 18, 1992 — Granted

h. Rebecca Renteria
Q-2 Police Officer - Police Department
Determination
Effective Date: August 6, 1992 Granted

i. William F. Tanner
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: December 16, 1992 Granted

6. PETITION FOR REHEARING

George C. Toy
Q-50 Sergeant - Police Department
Determination: August 1, 1989 to and Continuing Denied
November 14, 1989 to February 1, 1990 Denied

7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Barbara Blake

b. Balmore Hernandez

c. Alejandro V. Sausa

d. Christina Valero

8. APPLICATION FOR BIRTHDATE CORRECTION

Thelma Peralta

9. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF SEPTEMBER 29, OCTOBER 13 AND DECEMBER 8, 1992

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

   Peggy Bechtell $ 18,157.70

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   a. Thomas H. Anderson $ 8,789.10

   b. Willa M. Brown $ 2,427.00

   c. Thomas Shea Partial Payment: Employee to agree to binding arbitration. City to agree to future medical treatments.

   d. Frank Trout $ 29,000.00

3. HEARING DECISION

   James O'Connor
   H-2 Firefighter - Fire Department
   Industrial Disability Retirement/Stipulation
   Effective Date: May 11, 1992 Granted

ACTION: It was moved by Gibson, seconded by Driscoll to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy extended to the Board New Year's greetings and introduced Norman Nickens, Executive Assistant.

2. Reviewed the January 26, 1993 Retirement Board meeting agenda.

3. Update on Hartford negotiations.

4. Update on Harry Catchings' case.

5. Update on TPA Proposal Review.

6. Distribution of informational materials.

7. The Civil Service exam for the 8167 Division Manager of the Workers' Compensation Division was given on January 8, 1993.

BOARD MEMBERS

Commissioner Driscoll requested the calendaring of Castle Harlan for action on January 26, 1993.

Commissioner Meiberger congratulated Clare M. Murphy, General Manager, on the recently released Annual Report and discussed his continued concerns regarding the Index Fund.

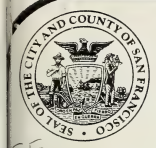
Vice President Wong requested a status report on the District Attorney's investigation. The City Attorney will provide further report at the January 26, 1993 meeting.

Commissioner Driscoll requested an updated on the TPA bid presentations. Staff will provide an update at the January 26, 1993 meeting. Commissioner Driscoll expressed appreciation for the efforts of the Retirement Board and staff on behalf of the Kavanaugh family.

There being no further business, the Board adjourned its regular meeting at 5:04 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager



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MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JANUARY 26, 1993

11:00 A.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of the Regular Meeting of January 12, 1993.

ACTION: Approved as Amended.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue before the Retirement Board.

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

[Supervisor Shelley arrived at 2:15 p.m.]

INVESTMENT CALENDAR

1. REAL ESTATE INVESTMENT PLAN

ACTION: No action at this time. This item was postponed until March 30, 1993.

2. CASTLE HARLAN FUND II

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis Bailey Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to invest $10 million in Castle Harlan II; motion passed 4-2 (Gibson and Breall).

[Supervisor Shelley was out of the room at the time of the vote.]

3. MULTI-COMPANY PROXY ISSUES REPORT/CORPORATE GOVERNANCE

ACTION: No action at this time. This item was postponed until Februar , 1993.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

This was information item only; no action was taken.

REGULAR CALENDAR

1. RECONSIDERATION OF CITY CONTRIBUTION RATES FOR FY 1992-1993

Senior Staff, City Attorney and Mark Mactas of Towers Perrin addressed the Board on this issue.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Shelley, seconded by Breall to adopt the recommendation of staff and consultants to adjust City contribution rates effective January 30 through June 30, 1993; motion passed 6-1 (Gibson).

[Supervisor Shelley left the meeting after this item.]

2. REPORT AND RECOMMENDATION ON THE SELECTION OF WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR FINALISTS

Rudy Hernandez, Deputy General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: 1. It was moved by Meiberger, seconded by Gibson to recuse Breall due to conflict of interest; motion passed 6-0.

2. It was moved by Gibson, seconded by Wong to accept the recommendations of the staff and the Joint Task Force on

Workers' Compensation and to invite the finalists to make presentations before the Board on February 2, 1993; motion passed 5-0.

3. REQUEST TO CONSIDER THE WCAB STIPULATION (PENSION ADJUSTMENT) FOR HAL QUINN

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: The Board unanimously voted to adjust Hal Quinn's industrial disability retirement allowance from 50% to 63%.

4. REQUEST FOR AUTHORIZATION FOR ON-SITE INSPECTION OF THIRD PARTY ADMINISTRATORS BY TWO STAFF MEMBERS

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Gibson to approve the request for authorization for on-site inspection of Third Party Administrators by two staff members; motion passed 6-0.

5. REQUEST FOR DEPUTY GENERAL MANAGER TO ATTEND THE ANNUAL CONFERENCE OF THE GOVERNMENT FINANCE OFFICES ASSOCIATION IN VANCOUVER, B.C. ON MAY 2-5, 1993

Clare Murphy, General Manager, presented a written and an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Driscoll to approve the request for Deputy General Manager to attend the Annual Conference of the Government Finance Officers Association in Vancouver, B.C. on May 2-5, 1993, motion passed 5-1 (Meiberger).

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 13-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

	Paul H. Schneider	$ 32,500.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Larry J. Davis	$ 4,972.99
b.	Theresa Donaldson	$ 4,974.67
c.	Alta Fly	$ 20,000.00
d.	Thomas Shea	$ 85,789.88
e.	Irving Wilson	$ 3,961.90

4. HEARING OFFICER DECISION

a. Tina Hays
0280 Court Clerk - Municipal Court
Ordinary Retirement Disability
Effective Date: June 1, 1992 — Granted

b. Milton Kennedy
1762 Senior Offset Operator - Airport Commission
Ordinary Retirement Disability/Vesting — Denied

c. Valerie J. Lang
2912 Social Worker - Social Services
Ordinary Retirement Disability
Effective Date: September 26, 1992 — Granted

d. Jo Ann Marks
8304 Deputy Sheriff - Sheriff's Department
PERS
Effective Date: April 6, 1991 — Granted

e. Andrew J. Smyth
(Jo Anne Schmidt - widow)
H-2 Firefighter - Fire Department
Continuation — Denied

5. PETITION FOR REHEARING

a. Patrick J. Coleman
H-2 Firefighter - Fire Department
Determination — Denied

b. Edward J. O'Brien
H-10 Chief's Aide - Fire Department
Industrial Disability Retirement/Stipulation — Denied

c. Harry Seagrave
1402 Junior Clerk - Public Health/SFGH
Ordinary Retirement Disability — Denied

ACTION: It was moved by Gibson, seconded by Breall to adopt the Consent Calendar; motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Wong, seconded by Gibson to hear the Supplemental Calendar; motion passed 6-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - WCAB STIPULA.)N (PENSION ADJUSTMENT)

Michael Pera	About $ 16,000.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Joseph Kirley	$ 18,215.54
b.	Kippie K. Locati	$ No cash; $100,00.00 in credits and C&R
c.	Anthony O'Sullivan	$ 976.56
d.	Patrick Ryan	$ 20,000.00
e.	John Sanford	$ 2,038.04
f.	Kathryn Sullivan	$ 11,000.00
g.	Tai Vuong	$ 500.00

2. HEARING DECISION

a. Lawrence E. Ahern
H-2 Firefighter - Fire Department
Determination — Denied

b. Richard Beckwith
H-2 Firefighter - Fire Department
Ordinary Retirement Disability
Effective Date: December 1, 1990 — Granted

c. Tommy S. King
6231 Senior Street Sweeper - Public Works Department
Ordinary Retirement Disability
Effective Date: October 8, 1992 — Granted

ACTION: 1. The Board unanimously voted to adjust Michael Pera's industrial disability retirement allowance from 50% to 54%.

2. It was moved by Breall, seconded by Gibson to adopt the Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy informed the Board that copies of the most recent Economic Interest Reports had been requested by *CitiReport*.

2. Ms. Murphy reported that she had met with Pat Kalasardo of Hartford on January 22, 1993, and that a progress report from Mercer is expected on February 9, 1993.

3. Mayor's Office has initiated a U.S. savings bond promotion program.

4. Distributed a list of travel opportunities for consideration.

5. Distributed Board Policy Resolutions Nos. 50 and 51.

6. Ms. Murphy responded to questions from Commissioner Meiberger regarding the Management Information System and the budget.

BOARD MEMBERS

President Ashe requested information on the legislative history of Board procedures regarding election of officers.

Commissioner Gibson requested that the Board re-examine the establishment of an Investment Committee.

There being no further business, the Board adjourned its regular meeting, at the request of Commissioner Meiberger, in honor of Elizabeth Hathaway Montgomery, born on January 17, 1993, at 6:05 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 2, 1993

1:30 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	William Breall, M.D. (EXCUSED)	Commissioner
	Kevin F. Shelley	Supervisor

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

PUBLIC COMMENT

President Peter D. Ashe reviewed Public comment procedures for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. CONSIDERATION OF PROPOSALS REGARDING WORKERS' COMPENSATION THIRD PARTY ADMINISTRATORS

Representatives from Noetics, Associated Claims Management, and Hertz Claim Management Corporation, presented written and oral reports to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with the representatives.

President Ashe expressed appreciation for the efforts of the Joint Task Force on Worker's Compensation. Members of the Task Force in attendance at the meeting included: Vicky Wells, Department of Public Health; Kirk Lawson, PUC/MUNI; Brian Narlock, San Francisco Employees' Retirement System; Harold Guetersloh, Controller; Dan Maguire, City Attorney; Teresa Serata, Mayor's Office; and Rudy Hernandez, San Francisco Employees' Retirement System.

There being no further business, the Board adjourned its regular meeting at 5:05 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

City and County of San Francisco

San Francisco City and County Employees' Retirement System
Office of The General Manager

MEMORANDUM

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February 2, 1993

To: Interested Parties

From: Clare M. Murphy
General Manager

Subject: **REVISED PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
02/09/93	1:30 p.m.	**Regular Meeting** Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation Alternative Investment Presentation Multi-Company Proxy Issue Report/Corporate Governance Mercer/Hartford Report TPA Selection Report on Retirement Board Rules
02/23/93	1:30 p.m.	**Regular Meeting** Review of the Statement of Economic Interest Callan Associates Presentation External Manager Presentation Multi-Company Proxy Issue Report/Social Policy Issues
03/09/93	1:30 p.m.	**Regular Meeting** Election of Officers Quarterly Report on International Investments
03/30/93	1:30 p.m.	**Regular Meeting** Cost of Living Allowance for Retirees Real Estate Manager Presentation Presentation on Real Estate Investment Plan Quarterly Report on Real Estate Performance Alternative Asset Presentation
04/13/93	1:30 p.m.	**Regular Meeting**

DATE	TIME	TENTATIVE TOPICS
04/27/93	1:30 p.m.	**Regular Meeting** International Fixed Manager Review
05/11/93	1:30 p.m.	**Regular Meeting** Retirement System Investment Budget for FY 93-94 Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation
05/25/93	1:30 p.m.	**Regular Meeting** St. Francis Hospital Contract Renewal Workers' Compensation Reviewco Contract Renewal Actuarial Contracts Callan Associates Presentation External Manager Presentation Alternative Investment Semi-Annual Report
06/08/93	1:30 p.m.	**Regular Meeting** Quarterly Report on International Investments
06/29/93	1:30 p.m.	**Regular Meeting** Alternative Investment Preparation Real Estate Manager Presentation Quarterly Report on Real Estate Performance

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 9, 1993

1:00 P.M.

Present:	Peter D. Ashe	President
	Mason Wong	Vice President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Herb Meiberger	Commissioner
	Kevin F. Shelley	Supervisor
Absent:	Bonnie K. Gibson	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of January 26, 1993 and Special Meeting of February 2, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. FINAL REPORT ON 457 PROVIDER NEGOTIATIONS BY WILLIAM M. MERCER, INC.

   Robert Blum and Ian Altman from William M. Mercer, Inc. presented an oral and written report to the Board on this issue.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff. Louise Renne, City Attorney, addressed the Board as a member of the public and as a plan participant. She encouraged the Board to seek further clarification from Hartford regarding outstanding issues in the negotiations. This would include requesting additional data from Hartford, particularly regarding support for fees charged by Hartford. Finally, she urged the Board to continue negotiation with Hartford to minimize potentially disadvantageous aspects of the proposed agreement.

   This was an information item only; no action was taken.

2. FINAL SELECTION OF THE WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR

   The final selection was postponed until the February 23, 1993 meeting in order to allow for additional consideration by the Joint Task Force on Workers' Compensation.

3. REPORT ON RETIREMENT BOARD RULES

   Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Staff was directed to prepare revision of Retirement Board Rule 1 to provide for election of Vice-President as well as President in the event of mid-term vacancy.

This was an information item only; no action was taken.

4. REQUEST FOR AUTHORIZATION FOR STAFF TO ATTEND THE QUARTERLY LIMITED PARTNER ADVISORY COMMITTEE MEETING TO BE HELD IN BOSTON, MASSACHUSETTS ON MARCH 3, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Wong to approve the request for authorization for staff to attend the Weston Presidio Capital Quarterly Limited Partner Advisory Committee Meeting to be held in Boston, Massachusetts on March 3, 1993; motion passed 6-0.

[Supervisor Shelley arrived at 2:25, left at 4:30.]

INVESTMENT CALENDAR

1. ALTERNATIVE INVESTMENT PRESENTATION - FOOTHILL PARTNERS II, L.P.

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Wong, seconded by Meiberger to approve the staff recommendation to invest $10 million in Foothill Partners II, L.P.; motion passed 5-0.

2. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1992

Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1992

Ken Shaffer, Chief Investment Officer, and Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED DECEMBER 31, 1992

Ken Shaffer, Chief Investment Officer, and Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Vice-President Wong left at 5:15 p.m.]

5. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING APRIL 30, 1993

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Meiberger to approve the amended staff recommendation, see attached; motion passed 4-0.

6. MULTI-COMPANY PROXY ISSUES REPORT/CORPORATE GOVERNANCE

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Driscoll to approve the multi-company proxy issues report/corporate governance; motion passed 4-0.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Merger Proposal	For	Against
Perkin-Elmer And Applied Biosystems, Inc.		
Approval of merger	4	0

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of January, 1993.

c. Mr. Shaffer provided an update on staff's and consultant's activities in the alternative investment area.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 14-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Patsy J. Alston	$ 38,049.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Paul J. Araya	$ 436.16
b.	Toni Graeven	$ 1,000.00
c.	Kim Pryer	$ 337.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM AND WCAB COMPROMISE AND RELEASE

Percy George	$ - 0 - and C&R

5. HEARING OFFICER DECISION

a.	Kenneth A. Ahrens H-2 Firefighter - Fire Department Ordinary Retirement Disability Industrial Disability Retirement	 Denied Denied
b.	William M. Breslin H-20 Lieutenant - Fire Department Determination Effective Date: October 29, 1990	 Granted
c.	Jack Chandler (Renetta Chandler - widow) H-20 Lieutenant - Fire Department Continuation Effective Date: September 17, 1986	 Granted
d.	Edward R. Johnston 0380/Q-50 Inspector - Police Department Industrial Disability Retirement/Stipulation Effective Date: January 9, 1993	 Granted

e. Helen Menko
7387 Upholstery Craftsman - Purchasing Department
Ordinary Retirement Disability
Effective Date: October 27, 1990 Granted

f. William Trant
H-2 Firefighter - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: October 20, 1992 Granted

6. PETITION FOR REHEARING

a. Kenneth C. Cantamout
Q-2 Police Officer - Police Department
Determination Denied

b. Gabriel Gallegos
H-20 Lieutenant - Fire Department
Industrial Disability Retirement\Stipulation
Effective Date: January 26, 1991 Granted

7. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

John L. Denny

8. APPLICATION FOR BIRTHDATE CORRECTION

Carolina M. Paz

9. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF JANUARY 12, 1993

ACTION: 1. It was moved by Breall, seconded by Driscoll to adopt the Consent Calendar except for items 5b and 9. Item 5b was deferred until the meeting of February 23, 1993; motion passed 4-0.

2. It was moved by Driscoll, seconded by Meiberger to request transcripts for regular calendar items 2 and 3 only of the January 12, 1993 meeting; motion passed 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Meiberger to hear the Supplemental Calendar; motion passed 4-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - WCAB STIPULATION (PENSION ADJUSTMENT) - MICHAEL WEISSGERBER

2. HEARING OFFICER DECISION

   James M. Thompson
   H-2 Firefighter - Fire Department
   Determination
   Effective Date: Not Applicable Granted

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

   a. Kenneth Lui

   b. Deborah Walters

ACTION:

1. The Board unanimously voted to adjust Michael Weissgerber's industrial disability retirement allowance from 50% to 55%.

2. It was moved by Breall, seconded by Driscoll to adopt the Supplemental Calendar; motion passed 4-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy notified the Board of the CALAPRS General Assembly to be held on March 21-22, 1993 in Monterey, California.

2. The Board has been invited to tour the newly renovated Franciscan Treatment Room.

3. Discussed issues related to the ownership of 460 McAllister Street building.

4. Reminded the Board that Form 721 - Statements of Economic Interest, are due by March 29, 1993.

5. The Office of the Budget Analyst has begun the process of its management audit.

6. The February 23, 1993 meeting will start at 11:00 a.m.

BOARD MEMBERS

Commissioner Breall requested information on the status of the Distric Attorney's investigation. Dan Maguire, Deputy City Attorney, stated that a letter closing this matter is expected in the next few days.

There being no further business, the Board adjourned its regular meeting at 7:58 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

AMENDED

RECOMMENDED ASSET ALLOCATION

For the quarter ending April 30, 1993

Projected Net Contributions/Withdrawals	-24,000,000
Projected Income	75,733,249
Total Available for Allocation	51,733,249

Sector	Portfolio	Market Value 12/31/92	Anticipated Income *--	Additions (Deletions)	Current Weighting
Domestic Equity	Index	519,811,384	3,703,656	(3,703,656)	30.5
	Internal	214,974,169	2,413,085		12.5
	McCullough	111,746,460	804,575		6.6
	Nicholas Applegate	190,584,718	214,408		11.2
	Hanson	161,756,377	986,714		9.5
	RCM	239,518,849	1,059,870		14.0
	Lehman Ark	153,931,507	1,177,576		9.0
	Provident Inv. Counsel Council	55,155,705	121,343		3.2
	Dietche & Field	59,401,696	209,391		3.5
	Total	1,706,880,865	10,690,618	(3,703,656)	30.2
International Equity	Capital Guardian	191,247,779	1,094,894		59.4
	Walter Oechsle	130,958,724	644,972		40.6
	Total	322,206,503	1,739,866	0	5.7
Alternative Investments	Merit Energy Partner VI	951,100		500,000	1.7
	ARRAL Pacific Equity Trust II	7,732,330			13.8
	A.P.A. European Ventures	2,017,098		250,000	3.6
	A.P.A.Capital Risque III	1,041,278		250,000	1.9
	Hellman/Friedman	4,204,787		500,000	7.5
	Summit Ventures III L.P	1,000,000		1,000,000	1.8
	Zell/Chilmark	7,582,473		2,000,000	13.4
	Madison Dearborn			500,000	
	First Reserve Fund VI	714,820			1.3
	Crossroads	24,000,000			42.8
	Alta V	2,011,296		500,000	3.6
	Rimco Partners	1,159,521		250,000	2.0
	Weston Presidic	1,033.153		300,000	1.9
	Cash Reserves	2,644,117	26,441		4.7
	Total	56,091,973	26,441	6,050,000	1.0

2/9/93

Recommended Asset Allocation
For the quarter ending 4/30/93
Page 2

Sector	Portfolio	Market Value 12/31/92	Anticipated Income *	Additions (Deletions)	Current Weighting
Domestic Fixed Income	Internal	2,004,844,861	37,290,114	(26, ,344)	74.4
	Private	57,661,176	337,318	--	2.2
	MacKay	226,570,982	3,636,464		8.4
	Scudder	234,816,368	4,214,954		8.7
	TCW	169,642,681	4,512,495		6.3
	Total	2,693,536,068	49,991,345	(26,346,344)	47.7
International Fixed Income	Brinson Partners	284,377,463	5,452,938		55.4
	Warburg	229,384,653	5,132,482		44.6
	Total	513,762,116	10,585,420	0	9.1
Real Estate	Coldwell Banker	56,786,129	283,930		16.2
	Schroder A	22,894,350			6.5
	JMB I	12,953,557	127,014		3.7
	Lehndorff Babson	113,101,682	1,413,771		32.2
	Metric Realty	54,895,657	274,479		15.6
	RREEF	50,000,000	250,000		14.2
	Pacific Acquisition/ Stoneson Dev. Corp.	10,472,394	49,676		3.0
	Cash Reserves	30,068,916	300,689		8.6
	Total	351,172,685	2,699,559	0	6.3
TOTAL ALLOCATION		5,643,650,210	75,733,249	(24,0 000)	100.0

* Income to be allocated to the respective manager.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, FEBRUARY 23, 1993

11:00 A.M.

Present:	Peter D. Ashe	President
	William Breall, M.D.	Commissioner
	Joseph D. Driscoll	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Mason Wong	Vice President
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of February 9, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue before the Retirement Board.

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. REVIEW OF THE STATEMENT OF ECONOMIC INTERESTS - FORM 721

   David Benjamin, Deputy City Attorney, presented an oral and written report to the Board on this issue.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. FINAL SELECTION OF THE WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR

   Rudy Hernandez, Deputy General Manager, and Brian Narlock, Workers' Compensation Manager, presented a written and oral report to the Board on this item. Members of the subcommittee of the Joint Task Force on Workers' Compensation discussed their concerns with the Retirement Board.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger to approve and adopt the recommendation of the TPA Subcommittee Joint Task Force on Workers' Compensation and to enter into negotiations with The Noetics Group for services as workers' compensation third party administrator (Commissioner Breall was recused by a previous motion from the vote); motion passed 4-0.

3. HEARING OFFICER DECISION - WILLIAM BRESLIN

David Benjamin, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to approve the hearing officer decision on William Breslin; motion passed 5-0.

4. RETIREMENT BOARD RULE AMENDMENT

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to approve the amendment to Rule 1 relating to the election of the president and vice-president; motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR STAFF MEMBER TO ATTEND THE 1993 AIMR ANNUAL CONFERENCE IN SAN DIEGO CALIFORNIA TO BE HELD ON MAY 23-26, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Breall to approve the request for authorization for staff to attend the 1993 AIMR Annual Conference in San Diego, California to be held on May 23-26, 1993; motion passed 5-0.

INVESTMENT CALENDAR

1. CALLAN ASSOCIATES PRESENTATION

Barry Dennis of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. EXTERNAL MANAGER PRESENTATION

Representatives from Warburg Investment Managements Int. Ltd., Dietche & Field Advisers, Inc. and Provident Investment Counsel presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Commissioner Breall left at 4:35 p.m.]

3. MULTI-COMPANY PROXY ISSUE REPORT/SOCIAL POLICY ISSUES

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to adopt the staff recommendation; motion passed 4-0.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer reported that Axe Houghton, index fund manager, had been acquired by Hoenig Group, Inc., a brokerage and marketing firm. This ownership change results in the assignment of our contract to Hoenig Group, Inc.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 15-92

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Yvonne A. Hines	$ 931.58
b.	Virgilio Pastones	$ 425.00
c.	Alex Tharayil	$ 287.82

3. HEARING OFFICER DECISION

Edward Schmidt
9210 Airport Police Office - Police Department
PERS — Denied

4. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Warren T. Robinson III

b. Cheryl H. Wallace

5. APPLICATION FOR BIRTHDATE CORRECTION

Eileen C. Maloney

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF JANUARY 26, 1993 AND FEBRUARY 9, 1993

ACTION:

1. It was moved by Gibson, seconded by Driscoll to approve the Consent Calendar except for items 3 and 6; motion passed 4-0.

2. It was moved by Driscoll, seconded by Meiberger to recuse Commissioner Gibson from participation in the vote on item 3 due to a potential conflict of interest; motion passed 4-0.

3. It was moved by Meiberger, seconded by Driscoll to approve item 3; motion passed 3-0.

4. It was moved by Driscoll, seconded by Meiberger to approve transcript requests for item 1 from the regular calendar and item 4 from the investment calendar of the January 26, 1993 Retirement Board meeting; and items 2 and 5 from the investment calendar of the February 9, 1993 Retirement Board meeting; motion passed 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Meiberger to hear the Supplemental Calendar; motion passed 4-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a. Dean Echenberg $ 59,700.00

b. Willyam Morris $ 3,500.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

David John Goff $ 914.74

3. HEARING OFFICER DECISION

a. Longin Gene Bytof
8304 Deputy Sheriff - Sheriff's Department
PERS
Effective Date: May 1, 1993 Granted

b. Shirley Hanks
2912 Senior Social Worker - Social Services
Ordinary Retirement Disability
Effective Date: December 1, 1992 Granted

c. Owen K. O'Neil
0700 Teacher - San Francisco Unified School District
Ordinary Retirement Disability/Stipulation
Effective Date: February 21, 1993 Granted

4. PETITION FOR REHEARING

Helen Menko
7387 Upholstery Craftsman - Purchasing Department
Ordinary Retirement Disability
Effective Date: October 27, 1990 Granted

5. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Joseph Getz

ACTION: It was moved by Meiberger, seconded by Gibson to adopt the Supplemental Calendar; motion passed 4-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy reported on her meeting with representatives from the Retiree Association regarding a proposal to allow their participation in the election of employee representatives on the Board.

2. Ms. Murphy reported on her presentation before the Joint Task Force on the budget.

3. Supervisor Achtenberg has introduced a "sunshine in government" bill to expand public meeting and public record requirements.

BOARD MEMBERS

It was moved by Commissioner Meiberger, seconded by Commissioner Driscoll to adjourn the meeting in memory of Commissioner Mason Wong's father, Herbert Wong.

There being no further business, the Board adjourned its regular meeting at 6:28 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

RULE 1

ADMINISTRATION

Section 1.01. BOARD AUTHORITY

The Retirement Board of the City and County of San Francisco shall exercise its authority, functions, powers, and duties in accordance with Charter Sections 3.500, 3.670, and 3.671, and with applicable provisions of the Administrative Code of the City and County of San Francisco as enacted by ordinances of the Board of Supervisors, and in accordance with Board Rules and Resolutions as it may adopt from time to time.

Section 1.02. BOARD COMPOSITION

The Retirement Board shall, in accordance with Charter Section 3.670, consist of seven (7) members: The President of the Board of Supervisors, three members to be appointed by the Mayor, and three members elected from the active members of the System, excluding retired persons of the System.

The three members appointed by the Mayor shall be appointed in accordance with the requirements set forth in Charter Section 3.670.

The term of office of each member, except the President of the Board of Supervisors, shall be five (5) years, unless the appointed or elected member has been appointed or elected to complete the unexpired term of office of a resigned or deceased member. In that event, the newly appointed or elected member shall serve only that portion of the unexpired term of office.

Section 1.03 ELECTION OF PRESIDENT AND VICE PRESIDENT

The Board shall, at its first regular meeting in March of each year, elect one of its members President and one of its members Vice-President, and each shall hold office for a term ending in March of the next succeeding year or until a successor has been elected.

Section 1.04. DUTIES OF PRESIDENT AND VICE PRESIDENT

The President shall preside at all meetings of the Board and shall act as spokesperson for the Board. The President or the Board may establish such standing or special committees as deemed necessary.

The Vice-President shall assume the duties of the President when the President is absent, or when the President shall designate the Vice-President to act.

In the event of the death, resignation, removal from office, or permanent disability of the President, the Vice-President shall temporarily act for the President. Within thirty (30) days, the Board shall elect a President, and if necessary a Vice-President, to serve until the normal expiration of the term of the succeeded President.

When acting for the President, the Vice-President shall have all of the powers of the President and shall assume all of the duties of the President.

(THIS SECTION AMENDED ON FEBRUARY 23, 1993)

Section 1.05. APPOINTMENTS

The Board is authorized to make the following appointments:

a) A Secretary-General Manager, subject to the Civil Service provisions of the Charter, who shall have the duties and powers of a department head, and who shall act as the appointing officer under the Civil Service provisions of the Charter for the appointment, discipline, and removal of employees as may be authorized. The Secretary-General Manager is authorized to certify, under oath, to any actions taken by the Board, and to the authenticity of resolutions, contracts, minutes and other writings approved by the Board.

b) An Actuary, who shall hold office at the Board's pleasure, and who shall be under the administrative direction of the General Manager.

c) A consulting Actuary, who shall be employed by resolution of the Board and whose fee or fees for services rendered shall be established on a contractual basis.

d) Other: The Board may, from time to time, retain or employ consultants, auditors, advisors, and legal counsel as it may deem necessary to carry out its functions and duties.

(THIS SECTION AMENDED ON JUNE 12, 1990)

Section 1.06. ACTING SECRETARY-GENERAL MANAGER

In the absence of the General Manager, the Executive Assistant to the General Manager shall serve as Acting General Manager. In the absence of the General Manager and the Executive Assistant to the General Manager, the General Manager shall appoint a Division Head to serve as acting General Manager until their return.

Section 1.07 ELECTION OF EMPLOYEE MEMBERS

The election of active employee members to the Retirement Board, as provided in Charter Section 3.670, shall be in accordance with a resolution adopted by the Retirement Board no later than sixty (60) days prior to the date of the election.

The General Manager shall prepare the Board's resolution for adoption, which shall specify the purpose of the election, the method for nomination of active members of the System, the election dates and balloting procedures, and the responsibility of the Registrar of Voters for the counting of ballots and certification of the person receiving the highest number of votes cast at that election.

The elected employee member shall serve a term of office of five (5) years, commencing on the twentieth (20th) day of February in the year elected, unless the elected member has been elected to complete the unexpired term of office of a resigned or deceased employee member. In that event, the newly elected employee member shall serve only that portion of the unexpired term of office.

The Board may order a special election to fill an unexpired term of office unless a regular election is to be held and completed within six (6) months after the resignation or death of a member.

Section 1.08 SEVERABILITY

If any rule, section, paragraph, sentence, clause, or phrase of these rules is declared unconstituional or void for any reason, such declaration shall not affect the validity of the remaining portions of these rules. The Board hereby declares that it would have prescribed and adopted these rules, and each rule, section, paragraph, sentence, clause and phrase hereof, irrespective of the fact that any one or more rules, sections, paragraphs, sentences, clauses, or phrases shall be declared unconstitional or void.

The titles assigned to rules and sections are for reference purposes only, and shall not be considered a substantive part of these rules. If there is any conflict between the provisions of these rules and the Charter, or the Administrative Code of the City and County of San Francisco, the Charter or the Administrative Code language shall govern.

Section 1.09 AMENDMENT OF RULES

The Board may amend these rules at any time. Any proposed amendment shall be posted for at least one week and calendared for Board hearing at least one week prior to a Board meeting (Section 3.500). Upon adoption, changes in the rules shall be in effect, except that no change in the rules shall affect a matter or case pending before the Board.

Section 1.10. COURT ACTIONS

In the event of an adverse decision in a legal action to which the Board is a party, the City Attorney shall appeal through and to the highest court for final decision unless otherwise ordered by the Board.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MARCH 9, 1993

1:30 P.M.

Present:	Mason Wong	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of February 23, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Ashe reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

SPECIAL ORDER

Election of Officers: President and Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For President: It was moved by Gibson, seconded by Meiberger to nominate Commissioner Mason Wong for President; there were no other nominations; motion passed 5-0. Commissioner Wong was elected President for the next 12-month period.

For Vice President: It was moved by Meiberger, seconded by Gibson to nominate Commissioner Joseph Driscoll for Vice President; there were no other nominations; motion passed 5-0. Commissioner Driscoll was elected Vice President for the next 12-month period.

REGULAR CALENDAR

1. REPORT AND RECOMMENDATION OF CONSULTANT FOR NEGOTIATION OF WORKERS' COMPENSATION THIRD PARTY ADMINISTRATOR

   Clare Murphy, General Manager, Dan Maguire, Deputy City Attorney, Rudy Hernandez, Deputy General Manager and Brian Narlock, Workers' Compensation Manager, presented an oral and written report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Ashe to approve the staff recommendation of the selection of L.A. Marcus as the consultant for negotiation of the Workers' Compensation Third Party Administrator; motion passed 5-0.

2. COST OF LIVING ADJUSTMENT FOR RETIREES SUBJECT TO CHARTER SECTION 8.526 TO BE EFFECTIVE JULY 1, 1993

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Ashe to adopt staff recommendation regarding the cost of living adjustment for retirees subject to Charter Section 8.526 to be effective July 1, 1993; motion passed 5-0.

3. REQUEST FOR AUTHORIZATION FOR BOARD MEMBER PETER ASHE TO ATTEND THE PINEHURST REAL ESTATE SEMINAR IN PINEHURST, NORTH CAROLINA TO BE HELD ON MAY 2-5, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to approve the request for authorization for Board Member Peter Ashe to attend the Pinehurst Real Estate Seminar in Pinehurst, North Carolina to be held on May 2-5, 1993; motion passed 5-0.

4. REQUEST FOR AUTHORIZATION FOR GARY HIATT TO CONDUCT ON-SITE DUE DILIGENCE MEETINGS IN NEW YORK ON POTENTIAL AND EXISTING ALTERNATIVE INVESTMENTS TO BE HELD ON MARCH 15-18, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Gibson to approve the request for authorization for Gary Hiatt to conduct on-site due diligence meetings in New York on potential and existing alternative investments to be held on March 15-18, 1993; motion passed 5-0.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1992

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED DECEMBER 31, 1992

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of February, 1993.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 16-92

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Nikolaus Borthne	$ 254.67
b.	James Rivera	$ 5,900.00

3. HEARING OFFICER DECISION

a. Ples Brown, Jr.
2708 Custodian - San Francisco Unified School District
Ordinary Retirement Disability
Effective Date: October 16, 1992 — Granted

b. Aaron Green
2708 Custodian - San Francisco Unified School District
Ordinary Retirement Disability
Effective Date: February 13, 1993 — Granted

c. Joyce A. Hennessey
2932 Senior Psychiatric Social Worker - Public Health
Ordinary Retirement Disability
Effective Date: December 19, 1993 — Granted

d. William D. Langlois
Q-2 Police Officer - Police Department
Industrial Disability Retirement
Effective Date: January 5, 1991 Granted

e. Gregory Liggons
2905 Senior Eligibility Worker - Social Services
Ordinary Retirement Disability
Effective Date: November 1, 1992 Granted

f. Robert Polk
9126 Transit Traffic Checker - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: March 12, 1993 Granted

g. Brenda Y. Wilson
1476 Senior Processing Clerk - Health Services Department
Ordinary Retirement Disability
Effective Date: November 19, 1992 Granted

h. Fay H. Woo
1658 Chief Accountant - Retirement System
Reinstatement
Effective Date: October 31, 1991 Granted

4. PETITION FOR REHEARING

Thermon W. Dunn
7373 Stationary Engineer - Public Works
Ordinary Retirement Disability/Proposition A Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Christopher J. Hewett

b. Johnny W. Jefferson

ACTION: It was moved by Gibson, seconded by Driscoll to approve the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Meiberger to hear the Supplemental Calendar; motion passed 5-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Mario Rivera	$ 4,500.00
b.	Arthur Wade	$ 2,800.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Francis Casey	$ 345.57
b.	Michael Jamison	$ 4,011.42

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Charles E. Hallgren

ACTION: It was moved by Gibson, seconded by Ashe to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy provided an update on the status of the negotiation with Hartford regarding the Deferred Compensation Plan.

2. Ms. Murphy reported on her meeting with the Mayor's Office to discuss Board appointments.

3. Staff and the City Attorney are continuing to research issues related to the ownership of 460 McAllister Street.

4. Brian Narlock has been selected as the Workers' Compensation Division Manager.

BOARD MEMBERS

Commissioner Driscoll announced that he will be meeting with representatives from Hartford.

Commissioner Ashe expressed his concern regarding proposals for infrastructure investment.

Commissioner Meiberger has expressed his appreciation for the efforts of Commissioner Ashe as Board President.

There being no further business, the Board adjourned its regular meeting at 4:47 p.m. in honor of Kit Marois, Commissioner Joe Driscoll's daughter with best wishes for baby and parents.

Respectfully submitted,

Clare M. Murphy
General Manager

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, MARCH 30, 1993

1:30 P.M.

Present:	Mason Wong	President
	Joseph D. Driscoll	Vice President
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Peter D. Ashe	Commissioner
	Kevin F. Shelley	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of March 9, 1993.

ACTION: Approved as Amended.

RETIREMENT BOARD

MIS DEMONSTRATION/TRAINING

The Employees' Retirement System conducted an MIS demonstration/training for members of the Board from 12:00 - 1:30 p.m.

REGULAR MEETING

PUBLIC COMMENT

President Wong reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. RETIREMENT INFORMATION SYSTEMS OVERVIEW

   Linda Richards, Information Systems Manager, presented an oral and written report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. REQUEST FOR SUPPLEMENTAL APPROPRIATION FOR WORKERS' COMPENSATION BENEFITS

   Clare M. Murphy, General Manager, presented an oral and written report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Breall, seconded by Gibson to approve staff request for recommendation regarding supplemental appropriation for workers' compensation benefits; motion passed 5-0.

3. SETTLEMENT OF DISPUTED CLAIM - WCAB STIPULATION (PENSION ADJUSTMENT) - LEROY CARACTER

Dan Maguire, Deputy City Attorney, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: The Board unanimously voted to adjust Leroy Caracter's industrial disability retirement allowance from 50% to 62.5%.

4. REQUEST FOR AUTHORIZATION FOR CLARE MURPHY TO ATTEND THE IFE MARKET MAKERS 1993 CONFERENCE TO BE HELD IN PENNSYLVANIA ON JUNE 28-JULY 1, 1993 AND CONDUCT AN ON-SITE DUE DILIGENCE WITH THE TOWNSEND GROUP IN CLEVELAND, OHIO ON JULY 2, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION:

1. It was moved by Driscoll, seconded by Meiberger to delete travel to Cleveland; motion failed 1-4. (Driscoll voted in the affirmative)

2. It was moved by Gibson, seconded by Breall to approve the request for authorization for Clare Murphy to attend the IFE Market Makers 1993 Conference to be held in Pennsylvania on June 28-July 1, 1993 and conduct an on-site due diligence with the Townsend Group in Cleveland, Ohio on July 2, 1993; motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR STAFF MEMBER TO CONDUCT AN ANNUAL REVIEW OF THE MERIT ENERGY COMPANY ON MAY 5, 1993 AND ATTEND THE CORE GROUP ADVISORY COMMITTEE MEETING TO BE HELD IN DALLAS, TEXAS ON MAY 6-7, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Gibson to approve the request for authorization for staff member to conduct an annual review of the Merit Energy Company on May 5, 1993 and attend the Core Group Advisory Committee Meeting to be held in Dallas, Texas on May 6-7, 1993; motion passed 5-0.

6. REQUEST FOR AUTHORIZATION FOR LINDA RICHARDS TO ATTEND THE 1993 PRISM CONFERENCE TO BE HELD IN NEW ORLEANS ON MAY 16-19, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to approve the request for authorization for Linda Richards to attend the 1993 PRISM Conference to be held in New Orleans on May 16-19, 1993; motion passed 5-0.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE

Representatives from The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REAL ESTATE MANAGER PRESENTATION

Representatives from Schroeder Real Estate Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. PRESENTATION ON REAL ESTATE INVESTMENT PLAN

Terry Ahern from The Townsend Group presented an oral report to the Board on this item. The final plan will be submitted at a later Board meeting.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Shareholder Proposal	For	Against
Pacific Gas and Electric		
1. Establish an independent body to determine executive compensation proposal	2	3
2. Establish caps on executive compensation	3	2
Van Dorn Company and Crown Cork and Seal		
Approval of Merger	5	0

CONSENT CALENDAR

The following items were presented:

1. a. VOLUNTARY RETIREMENT BOARD LIST NO. 17-92

b. VOLUNTARY RETIREMENT BOARD LIST NO. 18-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Daniel Baker	$ 3,500.00
b.	Ronald Crow	$ 40,000.00
c.	Victor V. Lopez	$ 3,724.00
d.	Kareem Rhymer	$ 11,500.00
e.	Debra Sadorra	$ 13,000.00
f.	Alban Weatherman	$ 11,000.00
g.	Leonid Yurchenko	$ 5,070.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Diego Cassone	$ 703.80
b.	Bonnie Fitzpatrick	$ 16,792.61
c.	Ida Hom	$ 7,661.93
d.	Ann Mason	$ 325.00
e.	Ann Mason	$ 2,930.00
f.	Jessie McKneely	$ 1,500.00

4. HEARING OFFICER DECISION

a. John F. Boscacci
0145 Assistant Deputy Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: September 1, 1992 — Granted

b. Kenneth Cantamout
Q-2 Police - Fire Department
Determination — Granted in part
Denied in part

c. John T. Conway
H-20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: October 21, 1992 — Granted

d. Donald E. Dennehy
H-30 Captain - Fire Department
Industrial Disability Retirement
Effective Date: August 2, 1992 — Granted

e. Joseph Gaggero, Jr.
3291 Principal Recreation Supervisor - Recreation and Parks
Ordinary Retirement Disability — Denied

f. Robert Harris
8223 Housing Authority Police Sergeant - Police Department
PERS
Effective Date: May 8, 1992 — Granted

g. Richard F. Richardson
H-20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: February 4, 1989 — Granted

5. PETITION FOR REHEARING

a. Clyde G. Blount
Q-50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation — Denied

b. Paul J. Murray
H-24 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation — Denied

6. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Michael C. McDowell

b. Jeffrey C. Sayles

7. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF FEBRUARY 23 AND MARCH 9, 1993

ACTION: It was moved by Gibson, seconded by Driscoll to approve the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Breall, seconded by Driscoll to hear the Supplemental Calendar; motion passed 5-0.

ITEM:

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM AND WCAB COMPROMISE AND RELEASE

	Thomas Martin	$ 14,319.00 and C&R

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Sylvester Brown	$ 148.00
b.	Darrell Marshall	$ 2,680.04
c.	Stella Santos	$ 15,000.00

ACTION: It was moved by Breall, seconded by Driscoll to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Health Services coverage is available for interested Board members.

2. Ms. Murphy reviewed a recently released factfinding decision regarding furloughs.

3. Ms. Murphy reported on the fiscal year 1993-94 budget.

4. An update on the Hartford negotiations will be presented at the April 27 meeting.

5. An update on 460 McAllister Street will be presented at the April 13 meeting.

6. Supervisor Alioto has appointed herself to membership on the Retirement Board effective April 13, 1993.

7. The April 13 meeting will begin at 11:30 a.m.

BOARD MEMBERS

Commissioner Driscoll stated that he will distribute materials to the Board related to the Hartford negotiations.

Board members discussed the policy regarding transcripts.

Commissioner Meiberger distributed and discussed materials he had prepared regarding "Management of the Equity Index Fund and South Africa Restrictions."

There being no further business, the Board adjourned its regular meeting at 6:35 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

SF
R55
#3
4/13/93

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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APR 30 1993
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TUESDAY, APRIL 13, 1993

1:30 P.M.

Present:	Mason Wong	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of March 30, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue before the Retirement Board.

PUBLIC COMMENT

President Wong reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. REVIEW AND DISCUSSION OF UNFINISHED BUSINESS LIST

   Clare Murphy, General Manager, Norman Nickens, Executive Assistant, and Ken Shaffer, Chief Investment Officer, presented an oral and written report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Ashe, seconded by Meiberger to approve adoption of the format of the Unfinished Business List and review of the list on a monthly basis; motion passed 6-0.

2. TRANSFER OF JURISDICTION OF BUILDING AT 460 MCALLISTER STREET

   Clare Murphy, General Manager, presented an oral and written report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to approve the resolution authorizing transfer of jurisdiction of building at 460 McAllister Street; motion passed 6-0.

[The Investment Calendar was heard out of sequence.]

INVESTMENT CALENDAR

3. REAL ESTATE INVESTMENT PLAN

Gary Hiatt, Portfolio Manager, Ken Shaffer, Chief Investment Officer, and Terry Ahern from The Townsend Group discussed with the Board the Real Estate Investment Plan presented at March 30, 1993 meeting.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Breall that staff be authorized to prepare a report detailing strategic planning, investment planning, and the manager search process for the proposed Real Estate Investment Plan; motion passed 5-0.

[Commissioner Gibson left at 3:55 before the vote on the above action.]

1. REPORT ON CONVERTIBLE BONDS

Ken Shaffer, Chief Investment Officer, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

The Board directed staff to present, in a timely fashion, a report on convertible bonds. The presentation shall indicate pros and cons of the issue and the performance of various managers in this area.

2. TRUST COMPANY OF THE WEST - CAPTURE RATIO OF DOWNGRADES AND UPGRADES

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Shareholder Proposal	For	Against
Merrill Lynch		
Discontinue program trading stock index futures, basket trading and "mathematical index".	0	5

b. List of meetings conducted by members of the investment staff during the month of March, 1993

c. Ken Shaffer, Chief Investment Officer, verbally discussed the Brokerage Report.

d. South African Restriction List

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 16-92

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a. Nikolaus Borthne $ 254.67

b. James Rivera $ 5,900.00

3. HEARING OFFICER DECISION

a. Ples Brown, Jr.
2708 Custodian - San Francisco Unified School District
Ordinary Retirement Disability
Effective Date: October 16, 1992 Granted

b. Aaron Green
2708 Custodian - San Francisco Unified School District
Ordinary Retirement Disability
Effective Date: February 13, 1993 Granted

c. Joyce A. Hennessey
2932 Senior Psychiatric Social Worker - Public Health
Ordinary Retirement Disability
Effective Date: December 19, 1993 Granted

d. William D. Langlois
Q-2 Police Officer - Police Department
Industrial Disability Retirement
Effective Date: January 5, 1991 Granted

e. Gregory Liggons
2905 Senior Eligibility Worker - Social Services
Ordinary Retirement Disability
Effective Date: November 1, 1992 Granted

f. Robert Polk
9126 Transit Traffic Checker - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: March 12, 1993 Granted

g. Brenda Y. Wilson
1476 Senior Processing Clerk - Health Services Department
Ordinary Retirement Disability
Effective Date: November 19, 1992 Granted

h. Fay H. Woo
1658 Chief Accountant - Retirement System
Reinstatement
Effective Date: October 31, 1991 Granted

4. PETITION FOR REHEARING

Thermon W. Dunn
7373 Stationary Engineer - Public Works
Ordinary Retirement Disability/Proposition A — Denied

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Christopher J. Hewett

b. Johnny W. Jefferson

ACTION: It was moved by Breall, seconded by Meiberger to approve the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Leonard C. Bell	$ 40,000.00
b.	Richard Bucks	$ 6,000.00
c.	John R. Day	$ 3,702.00
d.	Gwendolyn Gomez	$ 2,000.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Iola Jackson	$ 1,300.00
b.	Mark Jacobson	$ 272.86
c.	Debra Sadorra	$ 1,643.00

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Helen Gary-Brown

b. Kathleen Lipset

ACTION: It was moved by Ashe, seconded Breall to adopt the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy distributed the memo on educational opportunities.

2. Norman Nickens, Executive Assistant, distributed the memo on transcription costs.

3. Ms. Murphy noted that Supervisor Alioto has been formally appointed to the Board.

4. The Mayor has written the Chamber of Commerce to initiate the Ad Hoc Committee process for filling Board vacancies.

5. A draft TPA contract has been completed.

BOARD MEMBERS

Commissioner Ashe requested staff to research proposed Charter Amendments affecting the Retirement System, and to review the impact of Proposition 162 on these proposals.

Commissioner Ashe reported on recently adopted FASB rules regarding disclosure and valuation of executive compensation option. Copies of these materials are available from the Executive Assistant.

The Board discussed the record and information policy and transcription costs. Commissioner Meiberger reviewed costs from fiscal years 1990-91, 1991-92 and 1992-93 to-date.

There being no further business, the Board adjourned its regular meeting at 5:50 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, APRIL 27, 1993

11:30 A.M.

Present:	Mason Wong	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of April 13, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue before the Retirement Board.

PUBLIC COMMENT

President Wong reviewed the Public Comment procedure for the attendees. No Comments were made at this time.

REGULAR CALENDAR

1. CURRENT PLAN UNFUNDED STATUS AND POTENTIAL CONTRIBUTION RATE VOLATILITY

   Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. UPDATE ON DEFERRED COMPENSATION PLAN ADMINISTRATOR CONTRACT PROCESS

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: 1. It was moved by Driscoll, seconded by Ashe that SFERS solicit a second annuity provider, with a credit rating equal to or greater than Hartford's, for the sole purpose of offering annuities to

participants which the participant could purchase when they enter the withdrawal phase of the program; motion passed 5-1 (Meiberger).

2. It was moved by Driscoll, seconded by Meiberger that Hartford's educational materials include accurate examples that contrast the effects of participating vs. not participating in the Deferred Compensation Program. The examples should illustrate the effect the fees Hartford collects and that participants are in lower income tax brackets; motion passed 6-0.

3. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE IBF CONFERENCE ON VENTURE INVESTING 1993 ON JUNE 22-23, 1993 TO BE HELD IN SAN FRANCISCO, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to approve the request for authorization for Peter Ashe, Board member, to attend the IBF Conference on Venture Investing 1993 on June 22-23, 1993 to be held in San Francisco, CA; motion passed 6-0.

4. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER, TO ATTEND THE PENSIONS 2000 AMERI-CAN-MEX ON MAY 16-19, 1993 TO BE HELD IN LAGUNA NIGUEL, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to approve the request for authorization for Peter Ashe, Board member to attend the Pensions 2000 Ameri-Can-Mex on May 16-19, 1993 to be held in Laguna Niguel, CA; motion passed 6-0.

5. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER, TO ATTEND THE IFEBP BENEFITS CONFERENCE FOR PUBLIC EMPLOYEES ON JUNE 7-9, 1993 TO BE HELD IN WILLIAMSBURG, VA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Driscoll to approve the request for authorization for Herb Meiberger, Board member, to attend the IFEBP Benefits Conference for Public Employees on June 7-9, 1993 to be held in Williamsburg, VA; motion passed 6-0.

INVESTMENT CALENDAR

1. INTERNATIONAL FIXED INCOME REVIEW

Ken Shaffer, Chief Investment Officer, and Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REAL ESTATE INVESTMENT PLAN

Ken Shaffer, Chief Investment Officer, Gary Hiatt, Portfolio Manager, and Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Gibson to direct staff to continue the implementation of the proposed real estate investment plan; motion passed 6-0.

3. REQUEST FOR EXEMPTION FROM SOUTH AFRICA RESTRICTION

Ken Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Driscoll to accept staff recommendation to remove Tambrands from the South Africa restriction list; motion passed 6-0.

4. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 20-92

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - DONALD LEVY

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Ernest Flade	$ 4,000.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Kenneth Chambers	$ 1,048.00
b.	Marilyn Jean Christensen	$ 3,333.33
c.	Cynthia Sweet	$ 16,000.00

5. HEARING OFFICER DECISION

a. Barbara A. Chionsini
8304 Deputy Sheriff - Sheriff's Department
PERS
Effective Date: April 1, 1993 Granted

b. Jesse L. Scott
7215 General Laborer Supervisor I - Public Works
Ordinary Retirement Disability
Effective Date: February 10, 1993 Granted

c. Richard Triggs
9163 Transit Operator - Public Utilities Commission\MUNI
Ordinary Retirement Disability
Effective Date: January 1, 1993 Granted

6. PETITION FOR REHEARING

Helen Menko
7387 Upholstery Craftsman - Purchasing Department
Ordinary Retirement Disability
Effective Date: October 27, 1990 Granted

7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Allen M. Aronofsky

b. Oscar Bernardino

8. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF MARCH 30 AND APRIL 13, 1993

ACTION: It was moved by Breall, seconded by Meiberger to adopt the Consent Calendar; motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Driscoll, seconded by Breall to hear the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Johnnie Flannigan	$ 10,000.00
b.	Helen Zisser	$ 10,000.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Herbert C. Haynes	$ 3,000.00
b.	John Solis	$ 25,000.00
c.	Gregorio Zapata	$ 1,100.00

3. HEARING OFFICER DECISION

a. Charles E. Baker
9163 Transit Operator - Public Utilities Commission\MUNI
Ordinary Retirement Disability
Effective Date: November 1, 1992 — Granted

b. Wayne A. Morris
9131 Station Agent - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: July 1, 1993 — Granted

c. John L. Robinson
Teacher - Community College District
Ordinary Retirement Disability
Effective Date: March 27, 1993 — Granted

ACTION: It was moved by Gibson, seconded by Breall to adopt the Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy announced the recent death of Bob Toigo, President of the Institute for Fiduciary Education.

2. Ms. Murphy has recently met with Wendell Pryor, the newly appointed General Manager of the Civil Service Commission.

3. Staff has met with representatives from the Chamber of Commerce to discuss the City budget.

4. A memo showing forward scheduling of prospective Board topics was distributed.

5. A summary of recently introduced Workers' Compensation legislation was distributed.

6. Ms. Murphy reported that the NOETICS Third Party Administrator Contract was signed on April 27, 1993.

BOARD MEMBERS

Commissioner Ashe discussed the status of the First Reserve litigation. He also discussed a letter received from Local 790, SEIU, regarding the scheduling of the exam for the position of 1114 Administrator, Retirement Services.

There being no further business, the Board adjourned its regular meeting at 5:55 p.m. in memory of Bob Toigo, Institute for Fiduciary Education.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson, Adams Reporting Services.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

MEMORANDUM

April 27, 1993

Notice

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To: The Retirement Board

From: Clare M. Murphy
General Manager

Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
05/11/93	1:30 p.m.	**Regular Meeting** Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation
05/25/93	1:30 p.m.	**Regular Meeting** Unfinished Business Report Veteran Police COLA Issue St. Francis Hospital Contract Renewal Reviewco Bill Reviewco/PPO Contract Renewal Actuarial Contracts Callan Associates Presentation External Manager Presentation Alternative Investment Semi-Annual Report Alternative Investment Presentation
06/08/93	1:30 p.m.	**Regular Meeting** Benefit Issues Report Quarterly Report on International Investments Alternative Investment Presentation
06/29/93	1:30 p.m.	**Regular Meeting** Unfinished Business Report Real Estate Manager Presentation Quarterly Report on Real Estate Performance Convertible Bond Report
07/13/93	1:30 p.m.	**Regular Meeting** Presentation on Futures and Options Report on Side by Side Investments and Evaluation of Special Investment Opportunities

DATE	TIME	TENTATIVE TOPICS
07/27/93	1:30 p.m.	**Regular Meeting** Workers' Compensation Annual Bill Review and PPO Savings Report Unfinished Business Report Semi-Annual Travel Expense Report

C:\WP51\BOARD\SCHEDULE\FORWARD

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 11, 1993

11:30 A.M.

Present:	Mason Wong	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of April 27, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue before the Retirement Board.

PUBLIC COMMENT

Lawanna Preston, Claire Zvanski and Gray Kennedy, representing Local 790, SEIU, addressed the Board regarding concerns with the examination and appointment process at the Retirement System.

REGULAR CALENDAR

1. REPORT AND RECOMMENDATION ON THE RABBI TRUST FOR THE DEFERRED COMPENSATION PROGRAM

   Dan Maguire, Deputy City Attorney, and Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Gibson, seconded by Ashe to continue discussion to the June 8, 1993 Board meeting; motion passed 6-0.

2. REQUEST FOR AUTHORIZATION FOR GARY HIATT TO CONDUCT AN ON-SITE DUE DILIGENCE WITH TRUST COMPANY OF THE WEST IN LOS ANGELES, CA WITH A DATE TO BE DETERMINED

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Ashe to approve the request for authorization for Gary Hiatt to conduct an on-site due diligence with Trust Company of the West in Los Angeles with a date to be determined; motion passed 6-0.

INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1993

Ken Shaffer, Chief Investment Officer, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1993

Jack Montgomery, Portfolio Manager, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED MARCH 31, 1993

Ken Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING JULY 31, 1993

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to approve the staff recommendation on asset allocation for the quarter ending July 31, 1993; motion passed 6-0.

5. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of April, 1993.

c. Commissioner Meiberger inquired on South Africa-Free monitoring for internal and external portfolios.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 21-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a. Igene Edwards P.D. 9.75%, $ 4,095.00

b. Roger Elbeck $ 45,000.00

c. Woodrow Herve $ 672.00

d. Roger Johnson $ 3,500.00 to applicant
$ 500.00 to EDD

e. Ralph Merillion $ 3,500.00

3. HEARING OFFICER DECISION

a. Michael Clark
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: May 8, 1993 Granted

b. Ted J. Mares
H-2 Firefighter - Fire Department
Determination
Effective Date: August 18, 1992 to October 20, 1992 Granted
Industrial Disability Retirement
Effective Date: May 15, 1993 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Melvin D. Humphreys

b. Kathleen Lipset

5. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF APRIL 27, 1993

ACTION: 1. It was moved by Breall, seconded by Gibson to approve item nos. 1-4 of the Consent Calendar; motion passed 6-0.

2. It was moved by Meiberger, seconded by Ashe to approve item no. 5 (Transcript Request); motion failed 2-4 (Breall, Driscoll, Gibson and Wong).

[The Supplemental Calendar was heard as the last item.]

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Voice mail service was instituted on May 10, 1993.

2. The Retirement System's MIS Plan has been approved by EIPSC.

3. An updated educational opportunities list was distributed.

4. The General Manager, Board President and Actuary will meet with the Mayor's Budget Staff on May 14, 1993.

5. The May 25, 1993 Board meeting will start at 12:00 noon.

BOARD MEMBERS

Commissioner Breall requested that the Board consider starting its meeting at 12:00.

President Wong considered adding regular reports from the Actuary and the City Attorney.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: 1. It was moved by Ashe, seconded by Gibson to hear the Supplemental Calendar; motion passed 6-0.

2. It was moved by Breall, seconded by Ashe to add consideration of Civil Service Exams as items on the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

   a. Robert Lee $ 16,800.00

b. Susan L. Schwartz $ 7,000.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Joseph H. Perrone $ 2,631.76

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM AND COMPROMISE AND RELEASE

Daniel Hubbard $ 5,000.00
and C&R as to new and further PD only

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Zosimo Matignas

b. Thomas M. Walpole

ACTION: 1. It was moved by Breall, seconded by Driscoll to approve items 1-4 of the Supplemental Calendar; motion passed 6-0.

2. It was moved by Breall, seconded by Gibson to direct the General Manager to request that the Civil Service Commission extend the deadline for applications for the 1114 exam until May 31, 1993, and to request a report from the General Manager at the May 25, 1993 Board meeting; motion passed 6-0.

There being no further business, the Board adjourned its regular meeting at 7:10 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, MAY 25, 1993

12:00 P.M.

Present:	Mason Wong	President
	Joseph D. Driscoll	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor

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Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of the Regular Meeting of May 11, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue and a litigation matter.

PUBLIC COMMENT

President Wong reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. ANALYSIS OF POLICY CONSIDERATIONS PRESENTED IN "A REVIEW OF POTENTIAL RETIREMENT CONTRIBUTIONS FOR 1993-94"

   Lee Munson, Alexander Grieve, and Woodward Kingman, representing a broad based business coalition, presented a written and oral report to the Board on this item.

   Kieran Murphy, Actuary, responded and analyzed the Munson report.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Meiberger, seconded by Ashe to maintain the current contribution rate setting process and to direct staff to continue discussion with concerned parties regarding proposed changes; motion passed 6-1 (Breall)

2. UNFINISHED BUSINESS REPORT

   Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

3. VETERAN POLICE COLA ISSUE

Clare Murphy, General Manager, Kieran Murphy, Actuary, and Dan Maguire, Deputy City Attorney, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

John Lehane, a retired Police Officer, addressed the Board regarding the annual cost of living adjustment.

ACTION: It was moved by Alioto, seconded by Ashe to release the May 20, 1993 memorandum prepared by the City Attorney's Office regarding "Retirement COLAs for Police retirees under proposition D", and to continue this item at the call of the Chair; motion passed 7-0.

[Supervisor Alioto left the meeting at 4:10 p.m.]

4. ST. FRANCIS HOSPITAL CONTRACT RENEWAL

Brian Narlock, Division Manager, Workers' Compensation, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Ashe to accept staff recommendation on St. Francis Hospital contract renewal; motion passed 5-0. (Commissioner Wong was not present for the vote).

5. EXTENSION AND MODIFICATION OF REVIEW CO/PREFERRED PROVIDER COMPANY CONTRACT FOR FISCAL YEAR 1993-94

Rudy Hernandez, Deputy General Manager, presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to accept staff recommendation on extension and modification of Reviewco/Preferred Provider Company contract for Fiscal Year 1993-1994; motion passed 6-0.

6. RETIREMENT BOARD MEETING STARTING TIMES

Clare Murphy, General Manager, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Ashe to establish 12:00 noon as the starting time for Board meetings; motion passed 6-0.

INVESTMENT CALENDAR

1. CALLAN ASSOCIATES PRESENTATION

Barry Dennis of Callan Associates presented an oral and written report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. PRESENTATIONS BY EXTERNAL MANAGERS

Representatives from MacKay Shields Financial Corporation, Brinson Partners, Inc. and Nicholas-Applegate Capital Management presented written and oral reports to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. ALTERNATIVE INVESTMENT RECOMMENDATION - VESTAR CAPITAL PARTNERS, L.P.

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey, Inc., presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Driscoll to accept the staff recommendation; motion passed 6-0.

4. ALTERNATIVE INVESTMENT SEMI-ANNUAL REPORT

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey, Inc., presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

This was an information item only; no action was taken.

[Commissioner Gibson left the meeting at 7:45 p.m.]

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 22-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Carol Ausberry	$ 3,300.00
b.	James J. Corrigan	$ 20,000 + IDR
c.	Joseph Pappadakis	$ 8,500.00
d.	Richard Thompson	$ 7,500.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Judy E. Bailey	$ 7,000.00
b.	Maritza Cardenas	$ 6,000.00
c.	Judy Cyprien	$ 7,500.00
d.	Frank P. Hodges	$ 2,917.40
e.	Clint Pierce	$ 4,800.00
f.	David Turk	$ 382.91

4. HEARING OFFICER DECISION

Fei Fua Pu'Efua
8222 Housing Authority Policeman - Police Department
PERS
Effective Date: October 21, 1992 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Nora Banaria

b. Joseph A. Barsse

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF APRIL 27, 1993 AND MAY 11, 1993

ACTION: It was moved by Ashe, seconded by Breall to approve the Consent Calendar; motion passed 4-0. (Commissioner Driscoll was not present for the vote).

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   a. Robert Brodnik — $ 6,511.51

   b. Charles Lyons — $ 7,500.00 less 1/2 court costs

2. HEARING DECISION

   Thomas J. Murphy
   H-20 Lieutenant - Fire Department
   Industrial Disability Retirement/Stipulation
   Effective Date: February 27, 1993 — Granted

3. PETITION FOR REHEARING

   Cornelius Crowley
   Q-50 Sergeant - Police Department
   Determination
   Effective Date: January 8, 1990 to May 1, 1990 — Granted

4. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS' EXECUTIVE COMMITTEE MEETING TO BE HELD IN WASHINGTON, D.C. ON JUNE 3, 1993

ACTION: It was moved by Breall, seconded by Driscoll to approve Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy reviewed the status of the Hartford negotiations and will present a progress report at the June 29, 1993 Board meeting.

2. A list of proposed Charter Amendments was distributed.

3. Ms. Murphy reviewed the proposed FY 1993-94 budget for the Retirement System. The Mayor's Office has proposed the deletion of several positions.

ACTUARY'S REPORT

Kieran Murphy, Actuary, raised the issue of the role of the Actuary in labor negotiations for the Board's consideration.

CITY ATTORNEY'S REPORT

Board members requested a report on the availability and cost of Director's Liability Insurance. Deputy City Attorney Dan Maguire reported the filing of a lawsuit by the Police Officers Association against the City and County of San Francisco relating to the negotiation of pension plan benefits.

BOARD MEMBERS

Commissioner Driscoll inquired as to the status of the Civil Service Commission's classification study.

President Wong announced that the Mayor has requested the Board to reconsider the contribution rate setting process at its June 8, 1993 meeting.

There being no further business, the Board adjourned its regular meeting at 8:45 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, JUNE 8, 1993

12:00 P.M.

Present:	Joseph D. Driscoll	Acting President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Bonnie K. Gibson	Commissioner
	Constance M. Hiatt	Commissioner
	Angela Alioto	Supervisor
Absent:	Herb Meiberger	Commissioner

Clare M. Murphy — General Manager
Retirement System

MINUTES: Minutes of the Regular Meeting of May 25, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue.

PUBLIC COMMENT

Acting President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

Acting President Driscoll welcomed newly appointed Commissioner Constance M. Hiatt to the Retirement Board.

REGULAR CALENDAR

1. RECONSIDERATION OF CITY CONTRIBUTION RATES FOR FY 1993-94

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item. Catherine Cole of Towers Perrin, consulting actuary, presented an oral report on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Mason Wong, James Lazarus, Robert Scrimgeour, and Lee Munson addressed the Board on this item.

ACTION: It was moved by Alioto, seconded by Breall to approve staff recommendations 1, 3 and 4 regarding the reconsideration of City contribution rates for fiscal year 1993-94. It was moved by Driscoll, seconded by Ashe to amend the motion to establish one (1%) percent as the wage assumption for fiscal year 1993-94 (see attached table of rates); motion to amend passed 6-0. Motion to approve amended motion passed 5-1 (Gibson).

2. ACTUARIAL CONSULTING CONTRACT FOR FY 1993-94

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Hiatt, seconded by Gibson to approve staff recommendation regarding the acturial consulting contract for fiscal year 1993-94, allocating $140,000.00 for actuarial services; motion passed 6-0.

3. INDEPENDENT REVIEW OF VALUATION CALCULATIONS

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to adopt staff recommendation regarding the independent review of valuation calculations costs not to exceed $10,000.00; motion passed 6-0.

4. REQUEST FOR TRAVEL AUTHORIZATION FOR GARY HIATT TO ATTEND TCW ENERGY GROUP'S ANNUAL PARTNERSHIP MEETINGS AND ON-SITE ANALYSIS OF PMC RESERVE ACQUISITION CO. TO BE HELD ON JULY 12-14, 1993 IN DALLAS, TEXAS

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to approve the request for travel authorization for Gary Hiatt to attend TCW Energy Group's Annual Partnership Meetings and on-site analysis of PMC Reserve Acquisition Co. to be held on July 12-14, 1993 in Dallas, Texas; motion passed 6-0.

5. DECISION OF HEARING OFFICER

George J. Bush
(Jeanne C. Bush - widow)
6122 Senior Environmental Health Inspector - Public Health

Petition for Monthly Death Benefit
Effective Date: January 11, 1992 Granted

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Alioto to approve the hearing officer's decision to grant Jeanne C. Bush's petition for monthly death benefit; motion passed 6-0.

INVESTMENT CALENDAR

ACTION: It was moved by Alioto, seconded by Ashe to recuse Commissioner Hiatt from the vote on all Investment Calendar items; motion passed 6-0.

1. RECOMMENDATION ON REVISED ALTERNATIVE INVESTMENT PLAN TARGETS

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to adopt the recommendation on revised alternative investment plan targets; motion passed 5-0 [Hiatt recused].

2. ALTERNATIVE INVESTMENT PRESENTATION

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates presented a written and oral report to the Board on this item concerning two distressed securities funds.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to approve the commitments of $10 million each to TCW Special Credits Fund IV and Belmont Capital Partners II distressed securities alternative investments; motion passed 3-1 (Driscoll) [Hiatt recused].

[Supervisor Alioto left at 4:18 p.m. before the motion was made for the above item.]

3. RECOMMENDATION TO INCREASE REAL ESTATE COMMITMENT TO RREEF

Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to approve the recommendation to increase real estate commitment to RREEF; motion passed 4-0 [Hiatt recused].

[The Consent and Supplemental Calendars were heard before the rest of the investment items.]

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 23-92

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

David G. Low	$ 40,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Huber Alexis	$ 556.00

4. HEARING OFFICER DECISION

a. Dennis P. Cotter
7379 Electrical Transit Mechanic - Public Utilities Commission/MUNI
Ordinary Retirement Disability - Vested
Effective Date: December 24, 1992 Granted

b. Patsy J. Hampton
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: September 1, 1992 Granted

c. Franklin D. Rutledge
9102 Transit Cleaner - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: March 1, 1993 Granted

d. Frank M. Ryan
Q-50 Sergeant - Police Department
Industrial Disability Retirement/Stipulation Denied

e. Robert B. Stewart
Q-2 Police Officer - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: September 2, 1992 Granted

5. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF MAY 25, 1993

ACTION: It was moved by Ashe, seconded by Breall to approve the Consent Calendar except for item no. 5 which was held over for the next meeting; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Hiatt, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

1. HEARING DECISION

Benjamin E. Lujan, Jr.
H-2 Firefighter - Fire Department
Industrial Disability Retirement
Effective Date: May 15, 1993 Granted
Determination
Effective Date: April 2, 1991 - June 15, 1991 Granted

ACTION: It was moved by Breall, seconded by Ashe to approve Supplemental Calendar; motion passed 5-0.

[The rest of the Investment Calendar items were heard in order.]

4. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED MARCH 31, 1993

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED MARCH 31, 1993

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Commissioner Breall left at 5:05 p.m.]

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of May, 1993.

This was an information item only; no action was taken.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy reported on the fiscal year 1993-94 budget.

2. The Noetics Group has begun implementation of the TPA contract as of June 1, 1993.

3. Staff are reviewing the recently proposed labor agreements.

4. Rudy Hernandez, Deputy General Manager, has announced his retirement as of July 1, 1993.

ACTUARY'S REPORT

Kieran Murphy, Actuary, distributed a list of benefit issues to be reviewed at future meetings.

CITY ATTORNEY'S REPORT

No report was presented.

BOARD MEMBERS

Commissioner Ashe requested that an election of officers be scheduled for the June 29, 1993 meeting.

There being no further business, the Board adjourned its regular meeting at 5:35 p.m.

Respectfully submitted,

Clare M. Murphy

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michaelson, Adams Reporting Services.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, JUNE 29, 1993

12:00 P.M.

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of June 8, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a personnel issue.

SPECIAL ORDER

Election of Officers: President and Vice President

In accordance with Board Rule One, Section 1.03, the Board conducted the election of officers for the ensuing term of office.

For President: It was moved by Breall, seconded by Gibson to nominate Commissioner Joseph D. Driscoll for President; there were no other nominations; motion passed 6-0.

For Vice President: It was moved by Breall, seconded by Hiatt to nominate Commissioner Bonnie Gibson for Vice President; there were no other nominations; motion passed 6-0.

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. Chuck Poling, Retired Employees Guild, expressed appreciation for the efforts of former Commissioner Mason Wong.

Robert Scrimgeour addressed the Board regarding a proposed Charter Amendment to allow retired employees to vote for and serve as members of the Retirement Board.

REGULAR CALENDAR

1. UNFINISHED BUSINESS REPORT

   Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. ADJUSTMENT OF RETIREMENT ALLOWANCE - JAMES SCOTT

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: The Board unanimously voted to adjust James Scott's industrial disability retirement allowance from 50% to 65%.

3. REQUEST FOR TRAVEL AUTHORIZATION FOR CAROLYN HAMILTON TO ATTEND THE ANNUAL CME RISK MANAGEMENT SYMPOSIUM TO BE HELD IN CHICAGO, IL ON AUGUST 22-24, 1993

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to authorize acceptance of offer for Carolyn Hamilton to attend the Annual CME Risk Management Symposium to be held in Chicago, IL on August 22-24, 1993 (Travel expenses to be paid by Chicago Mercantile Exchange); motion passed 6-0.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDING MARCH 31, 1993

Kevin Lynch of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REAL ESTATE MANAGER PRESENTATION - L & B REAL ESTATE COUNSEL

Representatives from L & B Real Estate presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW AND APPROVAL OF REQUEST FROM RREEF FOR AN $800,000 INCREASE IN COMMITMENT

Gary Hiatt, Portfolio Manager, and Kevin Lynch of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to accept the review and approval of request from RREEF for an $800,000 increase in commitment; motion passed 6-0.

4. REVIEW AND APPROVAL OF REQUEST FROM RREEF FOR THE USE OF RECOURSE RATHER THAN NON-RECOURSE LEVERAGE

Gary Hiatt, Portfolio Manager, and Kevin Lynch of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to approve staff and consultant recommendation of the request from RREEF for the use of recourse rather than non-recourse leverage; motion passed 6-0.

5. REVIEW AND APPROVAL OF REAL ESTATE REQUEST FOR PROPOSAL AND SEARCH METHODOLOGY

Kevin Lynch of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to approve staff and consultant recommendation of the real estate request for proposal and search methodology; motion passed 6-0.

6. CONVERTIBLE BOND REPORT

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 24-92

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - MARY J. ROGERS

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Bettina Heath	$ 6,000.00
b.	William D. Nunley	$ 30,000.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Bernetta Adolph	$ 30,000.00
b.	Robert B. Johnson	$ 1,123.26
c.	Karl Karlsson	$ 3,692.38
d.	Vincent Lee	$ 781.33
e.	Hoyt Wong	$ 949.10

5. HEARING OFFICER DECISION

a. Robin Bush-Seeco
8304 Deputy Sheriff - Sheriff Department
PERS
Effective Date: July 17, 1993 — Granted

b. Van H. Furlough
8308 Sheriff's Sergeant - Sheriff Department
PERS — Denied

c. Pilar Mari
2302 Certified Nursing Assistant - Public Health\Laguna Honda Hospital
Ordinary Retirement Disability
Effective Date: December 30, 1992 — Granted

d. Frederick F. Postel
H-40 Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: July 21, 1992 — Granted

6. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Rosita B. Ferrer

7. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF MAY 25, 1993 AND JUNE 8, 1993

ACTION: 1. It was moved by Gibson, seconded by Ashe to approve items 1 through 6 of the Consent Calendar; motion passed 6-0.

2. It was moved by Meiberger, seconded by Ashe to approve item 7 as amended (May 25, 1993: Item #4 of the Investment Calendar and June 8, 1993: Item #1 of the Regular Calendar); motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Meiberger to hear the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Vanessa Brown	$ 9,624.18
b.	Robert B. Johnson	$ 1,123.26
c.	Deidra D. Mitchell	$ 3,048.91

2. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Marisa E. Fernandez

b. William K. Freeman

ACTION: It was moved by Breall, seconded by Meiberger to approve Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Norm Nickens, Executive Assistant, presented the following items with the Board:

1. Mr. Nickens distributed the educational opportunities and reported on proposed Charter

Amendments.

ACTION: 1. It was moved by Gibson, seconded by Ashe to amend the agenda to allow consideration of proposed Charter Amendments; motion passed 6-0.

2. It was moved by Breall, seconded by Ashe to oppose the proposed Charter Amendment to transfer the Workers' Compensation Division to a Department of Human Resources; motion passed 6-0.

ACTUARY'S REPORT

Kieran Murphy, Actuary, reported on proposed Charter Amendments.

CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, reported that a proposal for establishing a statute of limitation is under development.

A report on the calculation of final benefit will be presented at the July 27 meeting.

BOARD MEMBERS

Commissioners Ashe and Meiberger reported on conferences they recently attended.

President Driscoll discussed the status of the Hartford contract.

There being no further business, the Board adjourned its regular meeting at 8:25 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Christine Donahue, Adams Reporting Services.

MINUTES

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TUESDAY, JULY 13, 1993

12:00 P.M.

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Peter D. Ashe	Commissioner
	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of June 29, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. REQUEST FOR RECONSIDERATION OF BOARD'S PRIOR DECISION: LOU ARONIAN - PURCHASE OF PART-TIME PRIOR SERVICE

   Maria Newport, Administrator, Retirement System, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This item is to be continued for discussion and action at the July 27, 1993 meeting.

2. UPDATE ON HARTFORD NEGOTIATIONS

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

3. RESOLUTIONS COMMENDING THE RETIREMENT SYSTEM STAFF ON THEIR RETIREMENT - NUNZIO J. CAMARDA AND RUDY HERNANDEZ

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to approve the resolutions commending the Retirement System staff on their retirement - Nunzio J. Camarda and Rudy Hernandez; motion passed 5-0.

4. REQUEST FOR AUTHORIZATION FOR BOARD MEMBER CONSTANCE HIATT AND NORMAN NICKENS TO ATTEND THE IFE COURSE ON PENSION FUND INVESTING TO BE HELD IN LOS ANGELES, CA ON AUGUST 9-11, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to approve the request for authorization for Board Member Constance Hiatt and Norman Nickens to attend the IFE Course on Pension Fund Investing to be held in Los Angeles, CA on August 9-11, 1993; motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR GARY HIATT TO ATTEND THE FIRST RESERVE FUND VI-LIMITED PARTNERS MEETING TO BE HELD IN NEW YORK CITY, NY ON AUGUST 5, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to approve the request for authorization for Gary Hiatt to attend the First Reserve Fund VI - Limited Partners Meeting to be held in New York City, NY on August 5, 1993; motion passed 5-0.

[The Consent Calendar and Supplemental Calendar were heard before the Investment Calendar.]

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 1-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

	Emiliano Echeverria	$ 18,703.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Socorro Aldape	$ 3,937.50
b.	Kedra Rhodes	$ 1,500.00
c.	Richard Wong	$ 840.76

4. HEARING OFFICER DECISION

a. Paul L. Forslind
Q-50 Sergeant Police - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: July 7, 1993 — Granted

b. Lorenzo Jenkins
2708 Custodian - Unified School District
Ordinary Retirement Disability
Effective Date: March 1, 1993 — Granted

c. J.L. Robinson
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: March 1, 1993 — Granted

5. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF JUNE 29, 1993

ACTION: It was moved by Breall, seconded by Gibson to approve the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: 1. It was moved by Gibson, seconded by Meiberger to hear the Supplemental Calendar; motion passed 5-0.

2. It was moved by Meiberger, seconded by Gibson to recuse Commissioner Breall from voting on item no. 1, Supplemental Calendar, due to conflict of interest; motion passed 5-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Walter Heath (Deceased) $ 90,000.00

ACTION: It was moved by Gibson, seconded by Meiberger to approve item no. 1; motion passed 4-0.

2. DECISION OF HEARING OFFICER

a. Tilden I. Hansen
H-20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: January 2, 1993 Granted

b. Lawrence Houghton
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability/Stipulation
Effective Date: May 22, 1993 Granted

c. Louis J. Jefferson
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: October 1, 1992 Granted

ACTION: It was moved by Meiberger, seconded by Breall to approve item nos. 2a-2c; motion passed 5-0.

3. PETITION FOR REHEARING

Joseph A. Gaggero, Jr.
3291 Principal Recreation Supervisor
Ordinary Retirement Disability Denied

ACTION: It was moved by Gibson, seconded by Meiberger to approve item no. 3; motion passed 5-0.

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Romulo B. Fontanilla

b. Billye E. Morrow

ACTION: It was moved by Meiberger, seconded by Hiatt to approve item nos. 4a-4b; motion passed 5-0.

5. REQUEST FOR PETITION FOR REHEARING

Allen A. Giovannetti
Q-2 Police - Police Department
Industrial Disability Retirement
Effective Date: May 7, 1993 Granted

ACTION: It was moved by Gibson, seconded by Hiatt to approve item no. 5; motion passed 5-0.

6. RECONSIDERATION OF BOARD'S PRIOR ACTION: RECONSIDERATION OF APRIL 27, 1993 MOTION THAT SFERS SOLICIT A SECOND ANNUITY PROVIDER WITH A CREDIT RATING EQUAL TO OR GREATER THAN HARTFORD'S FOR THE SOLE PURPOSE OF OFFERING ANNUITIES TO PARTICIPANTS WHICH THE PARTICIPANT COULD PURCHASE WHEN THEY ENTER THE WITHDRAWAL PHASE OF THE PROGRAM.

ACTION: 1. It was moved by Driscoll, seconded by Breall to approve item no. 6; motion passed 5-0.

2. It was moved by Driscoll, seconded by Meiberger that educational materials related to the Deferred Compensation Program include information on annuity options, selection of annuities, information on the comparable credit worthiness and illustrating rates available on various options, and to direct the Hartford to include materials on annuity options supplied by SFERS; motion passed 5-0.

INVESTMENT CALENDAR

1. PRESENTATION ON FUTURE AND OPTIONS

Carolyn Hamilton, Portfolio Manager; Matt Moran, Senior Director of Chicago Mercantile Exchange; Timothy Kane, Vice President-Structure Products of Bankers

Trust; Jim Mulally, Senior Global Fixed Income Manager of Capital Guardian Trust; and Alan Linstrom, Senior Financial Analyst of Pacific Gas and Electric, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Shareholder Proposal	For	Against
Ralston Purina		
Exchange the existing shares for two new classes of common stock.	5	0

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of June, 1993

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy discussed the impact of City-wide layoffs on hardship withdrawals under the Deferred Compensation Program.

2. Information on "stale-dated checks" has been provided to representatives of retiree associations and similar organizations.

3. An ordinance to implement the provisions of Proposition "G" from the November, 1992 ballot has passed first reading at the Board of Supervisors.

4. A dinner for former Commissioner Mason Wong is being scheduled for August 4, 1993.

5. A lunch and tour of the Franciscan Treatment Room is being scheduled for August 3, 1993.

6. Ms. Murphy reported on various proposed Charter Amendments.

ACTUARY'S REPORT

Kieran Murphy, Actuary, distributed materials on PERS contribution rates and death benefits; information on the July 16, 1993 Actuarial Club lunch and various proposed Charter Amendments.

CITY ATTORNEY'S REPORT

No reported was made.

BOARD MEMBERS

President Driscoll reported that he had recently addressed the San Francisco Retired Employees Association.

Commissioner Meiberger addressed the Board regarding futures and options.

There being no further business, the Board adjourned its regular meeting at 4:40 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Christine Donahue, Adams Reporting Services.

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TUESDAY, JULY 27, 1993

12:00 P.M.

Present:	Joseph D. Driscoll	President
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of July 13, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a potential litigation issue.

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. UNFINISHED BUSINESS REPORT

   Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. SEMI-ANNUAL TRAVEL EXPENSE REPORT

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

3. WORKERS' COMPENSATION ANNUAL BILL REVIEW AND PPO SAVINGS REPORT

   Staff requested two weeks extension on the presentation of this item.

ACTION: No action was taken. This will be continued to August 10, 1993 Board meeting.

4. RESOLUTION COMMENDING MASON WONG ON HIS SERVICE AS A COMMISSIONER IN THE RETIREMENT SYSTEM BOARD

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to approve the resolution commending Mason Wong on his service as a Commissioner in the Retirement System Board; motion passed 4-0.

5. RETIREMENT RELATED CHARTER AMENDMENTS PROPOSED FOR NOVEMBER, 1993 BALLOT

Clare Murphy, General Manager, and Kieran Murphy, Actuary, individually presented a separate written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: No action was taken.

6. REQUEST FOR AUTHORIZATION FOR BOARD MEMBER PETER ASHE TO ATTEND THE INSTITUTE FOR INTERNATIONAL RESEARCH 6TH ANNUAL PROXY VOTING AND CORPORATE GOVERNANCE CONFERENCE TO BE HELD IN NEW YORK CITY ON SEPTEMBER 20-21, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request for authorization for Board Member Peter Ashe to attend the Institute for International Research 6th Annual Proxy Voting and Corporate Governance Conference to be held in New York City on September 20-21, 1993; motion passed 4-0.

INVESTMENT CALENDAR

1. REPORT ON SIDE BY SIDE INVESTMENTS AND EVALUATION OF SPECIAL INVESTMENT OPPORTUNITIES

   Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. INTERNATIONAL/GLOBAL FIXED INCOME REPORT

   Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Meiberger, seconded by Breall to direct staff to prepare an asset allocation plan with due regard to establishing a global mandate; motion passed 4-0.

3. CHIEF INVESTMENT OFFICER'S REPORT

   a. Proxy Votes

      There were no proxy votes discussed.

   This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 2-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a. Karl Baeck $ 36,000.00

b. Matthew Hall, Jr. $15,000.00

3. HEARING OFFICER DECISION

Fay H. Woo
1658 Chief Accountant - Retirement System
Dismissal of Reinstatement
Effective Date: October 31, 1991 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Maria Arsedo

b. Bonnie Serrell-Carr

ACTION: It was moved by Breall, seconded by Hiatt to approve the Consent Calendar; motion passed 4-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Breall, seconded by Meiberger to hear the Supplemental Calendar; motion passed 4-0.

1. DECISION OF HEARING OFFICER

Jefferson Campbell
9210 Airport Police - Airports Commission
PERS Denied

2. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Edward Wilson

ACTION: It was moved by Breall, seconded by Meiberger to approve the Supplemental Calendar; motion passed 4-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy reported on Deferred Compensation Hardship Withdrawals and employees placed on involuntary leave.

2. An update was presented on the status of negotiations with the Hartford.

3. A Workers' Compensation Reform Bill has been signed by the Governor.

4. Staff has been notified of a pending early retirement proposal.

5. Materials on various conferences were distributed.

6. Staff has met with representatives from the Office of the Budget Analyst to discuss the ongoing management audit.

ACTUARY'S REPORT

No report was made.

CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, provided an update on the "Proposition D" litigation.

BOARD MEMBERS

President Driscoll expressed appreciation to staff who recently attended a dinner in his honor and distributed materials related to various conferences.

There being no further business, the Board adjourned its regular meeting at 3:35 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Christine Donahue, Adams Reporting Services.

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TUESDAY, AUGUST 10, 1993

12:00 P.M.

Present:	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Herb Meiberger	Commissioner
Absent:	Joseph D. Driscoll	President
	Constance M. Hiatt	Commissioner
	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of July 27, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

Vice President Gibson reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. WORKERS' COMPENSATION ANNUAL BILL REVIEW AND PPO SAVINGS REPORT

   Brian Narlock, Division Manager, Workers' Compensation Division, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. UPDATE ON WORKERS' COMPENSATION REFORM BILL

   Brian Narlock, Division Manager, Workers' Compensation Division, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

3. REQUEST FOR DISMISSAL OF ORDINARY DISABILITY RETIREMENT APPLICATION - MARLIN ARCENEAUX

   Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board requested and staff agreed to notify the applicant of the

Board's action to dismiss this application and to include in such notification procedures for applicant to request reconsideration.

ACTION: It was moved by Ashe, seconded by Meiberger to approve the request for dismissal of Ordinary Disability Retirement application of Marlin Arceneaux; motion passed 4-0.

4. REQUEST FOR DISMISSAL OF INDUSTRIAL DISABILITY RETIREMENT/STIPULATION - DOUGLAS W. HOSEA

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board requested and staff agreed to notify the applicant of the Board's action to dismiss this application and to include in such notification procedures for applicant to request reconsideration.

ACTION: It was moved by Breall, seconded by Ashe to approve the request for dismissal of Industrial Disability Retirement/Stipulation application of Douglas W. Hosea; motion passed 4-0.

5. REQUEST FOR DISMISSAL OF INDUSTRIAL DISABILITY RETIREMENT APPLICATION - RICHARD W. COTTON

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board requested and staff agreed to notify the applicant of the Board's action to dismiss this application and to include in such notification procedures for applicant to request reconsideration.

ACTION: It was moved by Breall, seconded by Ashe to approve the request for dismissal of Industrial Disability Retirement application of Richard W. Cotton; motion passed 4-0.

6. REQUEST FOR DISMISSAL OF ALLOWANCE - DEATH AS A RESULT OF DUTY - LAWRENCE NOVAK (DECEASED)

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board requested and staff agreed to notify the applicant of the Board's action to dismiss this application and to include in such notification procedures for applicant to request reconsideration.

ACTION: It was moved by Breall, seconded by Ashe to approve the request for dismissal of allowance - death as a result of duty - Lawrence Novak (deceased); motion passed 4-0.

7. REQUEST FOR DISMISSAL OF ORDINARY DISABILITY APPLICATION - ORANGE RICHARDSON

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: No action was taken. This item was removed from the calendar.

8. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS TO ATTEND THE INSTITUTIONAL INVESTOR INSTITUTE'S ANNUAL CONSULTANTS ROUNDTABLE TO BE HELD IN SAN FRANCISCO, CA ON SEPTEMBER 20-21, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request for authorization for Board Members to attend the Institutional Investor Institute's Annual Consultants Roundtable to be held in San Francisco, CA on September 20-21, 1993; motion passed 4-0.

9. REQUEST FOR AUTHORIZATION FOR BOARD MEMBERS TO ATTEND THE INSTITUTIONAL INVESTOR INSTITUTE'S WORKSHOP FOR NEW PUBLIC FUND TRUSTEES TO BE HELD IN SAN FRANCISCO, CA ON SEPTEMBER 22, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request for authorization for Board Members to attend the Institutional Investor Institute's Workshop for New Public Fund Trustees to be held in San Francisco, CA on September 22, 1993; motion passed 4-0.

10. REQUEST FOR AUTHORIZATION FOR WILLIAM BREALL, M.D., BOARD MEMBER TO ATTEND THE INVESTMENT OPPORTUNITIES IN GLOBAL BIOTECH CONFERENCE TO BE HELD IN NEW YORK CITY, NY ON SEPTEMBER 27-28, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger approve the request for authorization for William Breall, M.D. to attend the Investment Opportunities in Global Biotech Conference to be held in New York City, NY on September 27-28, 1993; motion passed 4-0.

11. REQUEST FOR AUTHORIZATION FOR KIERAN MURPHY TO ATTEND ANNUAL CONFERENCE OF CONSULTING ACTUARIES TO BE HELD IN NEW ORLEANS, LA ON OCTOBER 25-27, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall the request for authorization for Kieran Murphy to attend the Annual Conference of Consulting Actuaries to be held in New Orleans, LA on October 25-27, 1993; motion passed 4-0.

INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1993

   Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. REVIEW OF DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1993

   Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

3. REVIEW OF DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1993

   Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE PERIOD ENDING OCTOBER 31, 1993

   Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to approve staff recommendation; motion passed 4-0.

5. REPORT ON INDEX FUND MANAGEMENT

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of July, 1993

c. Mr. Shaffer and Gary Hiatt, Portfolio Manager, reviewed the First Reserve Fund VI, LP. Mr. Hiatt updated the Board on recent developments of the limited partner's meeting. After further review and due diligence meetings, it is staff's intent to vote our limited partners shares to reopen an investment fund.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 3-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Rene E. Rey	$ 3,500.00

3. HEARING OFFICER DECISION

Rosie M. Colquitt
2708 Custodian - San Francisco Unified School District
Ordinary Retirement Disability
Effective: January 1, 1993 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Romeo P. Ayalin

b. Bruce T. Carolan

c. Jeanette Mason

5. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETINGS OF JULY 13, 1993 AND JULY 27, 1993

ACTION: 1. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar except item no. 5; motion passed 4-0.

2. It was moved by Ashe, seconded by Meiberger to approve item no. 5; motion passed 3-1 (Gibson).

[Supplemental Calendar was heard at the end of the meeting.]

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy discussed the Reports from the Franciscan Treatment Room on Carbon Monoxide Information and Summary of Stress Cases.

2. An update was presented on Educational Opportunities.

3. Ms. Murphy reported on her recent IFE Market Makers Conference.

4. Annual member account statements will be delivered by August 13, 1993.

5. Ms. Murphy informed the Board and staff of the State of Washington Investment Board's invitation to attend a two-day symposium.

ACTUARY'S REPORT

Kieran Murphy, Actuary, distributed articles and ballot simplification statements on Charter Amendment affecting SFERS. Staff and consulting actuary have started the June 30, 1993 valuation.

Mr. Murphy discussed proposed draft letter to Retirees Association responding to newsletter articles on Retirement Board funding decisions. He also reported on the arbitrator's finding that Airport police officers be transferred to 2% at 50 Safety Plan in PERS.

CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, provided an oral report on the legal aspects of futures and options specifically relating to social investment policy. He provided a written opinion to Commissioner Meiberger.

BOARD MEMBERS

Commissioner Ashe requested a report on the Noetics contract and update on Hartford negotiations.

Commissioner Meiberger reported on his attendance to the Derivatives Conference presented by Bankers Trust.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Breall to hear the Supplemental Calendar; motion passed 4-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Annie Bass	$ 11,500.00
b.	Madison Gunter	$ 15,000.00
c.	Robert Lee	$ 19,150.00

d. Elisha Piere $ 250.00

ACTION: It was moved by Breall, seconded by Ashe to approve the Supplemental Calendar; motion passed 4-0.

There being no further business, the Board adjourned its regular meeting at 4:10 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Christine Donahue, Adams Reporting Services.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

MEMORANDUM

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August 26, 1993

To: Interested Parties

From: Clare M. Murphy
General Manager

Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
09/14/93	12:00 p.m.	**Regular Meeting** Hartford Deferred Compensation Contract Real Estate Manager Presentation Quarterly Report on Real Estate Performance Quarterly Report on International Investments
09/15/93	10:00 a.m.	**Special Meeting** Real Estate Advisor Presentations
09/28/93	12:00 p.m.	**Regular Meeting** Unfinished Business List Hartford Deferred Compensation Annual Report Index Fund Management Report Final Decision - Real Estate Managers Alternative Investment Presentation
10/12/93	12:00 p.m.	**Regular Meeting** International Equity Review Futures and Options Presentation (Continuation)
10/26/93	12:00 p.m.	**Regular Meeting** Unfinished Business List Brokerage Report Review
11/09/93	12:00 p.m.	**Regular Meeting** Annual Report Actuarial Experience Analysis International Equity Review Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation

(415) 554-1520 1155 Market Street San Francisco 94103

DATE	TIME	TENTATIVE TOPICS
11/30/93	12:00 p.m.	**Regular Meeting** Unfinished Business List Annual Report Callan Associates Presentation External Manager Presentations Semi-Annual Alternative Investment Report Alternative Investment Presentation
12/14/93	12:00 p.m.	**Regular Meeting** Setting of FY 94-95 Contribution Rates Real Estate Manager Presentation Quarterly Report on Real Estate Performance Alternative Asset Presentation Quarterly Report on International Investments
12/28/93	12:00 p.m.	**Regular Meeting**

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, AUGUST 31, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of August 10, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54950 et. seq., the Retirement Board met in closed session to discuss a potential litigation issue.

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. REQUEST FOR RECONSIDERATION OF BOARD'S PRIOR DECISION: LOU ARONIAN - PURCHASE OF PART-TIME PRIOR SERVICE

   Dan Maguire, Deputy City Attorney, presented an oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Breall, seconded by Ashe to move to table consideration; motion passed 6-0.

2. UNFINISHED BUSINESS LIST

   Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Gibson requested staff and the City Attorney to draft a Board Rule related to statute of limitations. President Driscoll requested additional information on employee performance evaluations.

   This was an information item only; no action was taken.

3. REQUEST FOR A PETITION OF REHEARING - LOUISE GRIFFITH

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Gibson to accept the request of petition of rehearing - Louise Griffith; motion passed 6-0.

4. REQUEST FOR DISMISSAL OF ORDINARY DISABILITY RETIREMENT APPLICATION: HERBERT R. MARSHALL

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. The Board requested and staff agreed to notify the applicant of the Board's action to dismiss this application and to include in such notification procedures for applicant to request reconsideration.

ACTION: It was moved by Gibson, seconded by Breall to approve the request for dismissal of ordinary disability retirement application - Herbert R. Marshall; motion passed 6-0.

5. CONSIDERATION OF PROPOSED CHARTER AMENDMENT "L" ON THE NOVEMBER, 1993 BALLOT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to oppose Proposition "L" on the November 2, 1993 ballot; motion passed 6-0.

6. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE COUNCIL OF INSTITUTIONAL INVESTORS SEMI-ANNUAL MEETING TO BE HELD IN NEW YORK CITY, NY ON OCTOBER 7-8, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this

item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Breall to accept the request for authorization for Peter Ashe, Board member to attend the Council of Institutional Investors Semi-Annual Meeting to be held in New York City, NY on October 7-8, 1993; motion passed 6-0.

7. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE PRUDENTIAL WESTERN PUBLIC FUND SEMINAR TO BE HELD IN NAPA, CA ON OCTOBER 9-12, 1993

Clare Murphy, General Manager, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to accept the request for authorization for Peter Ashe, Board member to attend the Prudential Western Public Fund Seminar to be held in Napa, CA on October 9-12, 1993; motion passed 6-0.

8. REQUEST FOR AUTHORIZATION FOR GARY HIATT TO CONDUCT ON-SITE DUE DILIGENCE ON FRONTENAC PARTNERS, MEET WITH BRINSON PARTNERS PRIVATE EQUITY GROUP, AND REVIEW PERFORMANCE OF ZELL/CHILMARK L.P., AND MADISON DEARBORN PARTNERS TO BE HELD IN CHICAGO, IL ON SEPTEMBER 29-OCTOBER 1, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to accept the request for authorization for Gary Hiatt to conduct on-site due diligence on Frontenac Partners, meet with Brinson Partners Private Equity Group, and review performance of Zell/Chilmark, L.P., and Madison Dearborn Partners to be held in Chicago, IL on September 29 - October 1, 1993; motion passed 6-0.

[The Consent and Supplemental Calendars were heard before the Investment Calendar.]

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 4-93

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Dorothea Bell	$ 2,000.00
b.	Carlos Carrillo	$ 434.07
c.	Carlos Jabier	$ 3,316.58
d.	Claudio Pubill	$ 153.19
e.	Gregory Quinn	$ 2,235.08
f.	Janice Woo	$ 25,000.00 & Waive credits as to future medical and TD only

3. HEARING OFFICER DECISION

a. Fannie A. Barlow
1434 Shelter Service Representative - Animal Care & Control
Ordinary Retirement Disability
Effective Date: March 1, 1993 — Granted

b. Kenneth Cady
8180 Principal Attorney - District Attorney
Ordinary Retirement Disability
Effective Date: September 1, 1993 — Granted

c. Shaik K. Chow
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: June 1, 1993 — Granted

d. Sally E. Eberle
2532 Paramedic - Public Health/SFGH
Ordinary Retirement Disability
Effective Date: July 17, 1993 — Granted

e. Robert La Rose
7338 Electrical Line Worker - Public Utilities Commission/MUNI
Ordinary Retirement Disability/Vested
Effective Date: March 24, 1993 Granted

f. Walter Montecinos
2905 Senior Eligibility Worker - Social Services
Ordinary Retirement Disability
Effective Date: November 1, 1992 Granted

g. Sarah Scott
2302 Orderly - Public Health/Laguna Honda Hospital
Ordinary Retirement Disability/Vested
Effective Date: September 1, 1992 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Debra S. Fuller

5. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF AUGUST 10, 1993

ACTION: 1. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item nos. 1-4; motion passed 6-0.

2. It was moved by Ashe, seconded by Breall to approve item no. 5, deleting Board Member Comments; motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Breall to hear the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Jack Fontaine	$ 96.67
b.	Martymore Sanderson	$ 6,228.24
c.	Sandra J. Smith	$ 7,250.00
d.	Thomas Spurlock	$ 4,737.00

ACTION: It was moved by Breall, seconded by Hiatt to approve the Supplemental Calendar; motion passed 6-0.

INVESTMENT CALENDAR

1. CALLAN ASSOCIATES INVESTMENT QUARTERLY PERFORMANCE REPORT

Barry Dennis of Callan Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. PRESENTATIONS BY EXTERNAL ASSET MANAGERS

Representatives from Trust Company of the West, Capital Guardian Trust Company and Rosenberg Capital Management, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. INVESTMENT RECOMMENDATION: CONSIDERATION OF TRUST COMPANY OF THE WEST COMMINGLED DEBT AND ROYALTY FUND IV

Gary Hiatt, Portfolio Manager, and Cynthia Frost, Lewis, Bailey Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to accept the investment recommendation: Consideration of Trust Company of the West Commingled Debt and Royalty Fund IV; motion passed 6-0.

4. INVESTMENT PRESENTATION: MERIT ENERGY PARTNERS FUND VI

Gary Hiatt, Portfolio Manager, and Cynthia Frost, Lewis, Bailey Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. REAL ESTATE PRESENTATION: DISCUSSION OF RFP RESPONSES AND SUBMISSION FOR APPROVAL OF ADVISORS RECOMMENDED FOR INTERVIEW

Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to accept the real estate presentation: Discussion of RFP responses and submission for approval of advisors recommended for interview; motion passed 6-0.

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

This was an information item only; no action was taken.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy reported on a recent meeting with Supervisor Leal to discuss the Initial Treatment facility (Franciscan Treatment Room).

2. Preliminary results have been received regarding the OBAE Audit of the Workers' Compensation Division.

3. Staff will be attending training on the recently enacted Workers' Compensation Reform Statute.

4. Issues related to the Hartford Contract will be presented at the September 14, 1993 Board meeting.

ACTUARY'S REPORT

No report was made.

CITY ATTORNEY'S REPORT

No report was made.

BOARD MEMBERS

Commissioner Breall congratulated Commissioner Ashe on his recent election as Board Chair of the Hana Boys Center. He also discussed the Board's role in addressing immigration and other social policy issues.

Commissioner Meiberger discussed consideration of convertible bonds.

Commissioner Ashe requested staff to track the progress of the "Community Investment Demonstration Act of 1993".

There being no further business, the Board adjourned its regular meeting at 6:35 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, SEPTEMBER 14, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of August 31, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. HARTFORD DEFERRED COMPENSATION CONTRACT

   Clare Murphy, General Manager, Norman Nickens, Executive Assistant, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Breall, seconded by Hiatt to accept staff to work to date; motion passed 6-0.

2. CONSIDERATION OF PROPOSED CHARTER AMENDMENT "R" ON NOVEMBER, 1993 BALLOT

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item. Robert Scrimgeour, Retired Employees of the City and County of San Francisco, addressed the Board and urged support of Proposition "R".

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   ACTION: It was moved by Driscoll, seconded by Meiberger to support Proposition "R" on the November 2, 1993 ballot; motion passed 6-0.

3. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE FIFTH ANNUAL POLICE PENSION AND BENEFIT CONFERENCE TO BE HELD IN TUCSON, AZ ON NOVEMBER 2-7, 1993

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to accept the request for authorization for Peter Ashe, Board member to attend the Fifth Annual Police Pension and Benefit Conference to be held in Tucson, AZ on November 2-7, 1993; motion passed 6-0.

4. REQUEST FOR AUTHORIZATION FOR PETER ASHE, BOARD MEMBER TO ATTEND THE STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS) TO BE HELD IN COSTA MESA, CA ON NOVEMBER 11, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to approve the request for authorization for Peter Ashe, Board member to attend the State Association of County Retirement Systems (SACRS) to be held in Costa Mesa, CA on November 11, 1993; motion passed 6-0.

INVESTMENT CALENDAR

1. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED JUNE 30, 1993

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED JUNE 30, 1993

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[The Consent and Supplemental Calendars were heard before the rest of the Investment Calendar items.]

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 5-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Joycilynn P. McCree	$ 15,000.00

3. HEARING OFFICER DECISION

a. Gabriel Gallegos
H-20 Lieutenant - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: January 26, 1991 — Granted

b. John M. Johnstone
H-10 Chief Operator - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: October 12, 1993 — Granted

c. Stanley K. Lee
Q-2 Police Officer - Police Department
Determination — Denied

d. Joseph C. Mollo, Jr.
Q-2 Police Officer - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: February 6, 1993 — Granted

e. Donald J. Pistolesi
1248 Assistant Division Manager - Civil Service Commission
Ordinary Retirement Disability
Effective Date: October 1, 1993 — Granted

f. Jessie M. Smally
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: October 1, 1992 Granted

g. Erich V. Von Neff
3417 Gardener - Water Department
Ordinary Retirement Disability/Stipulation
Effective Date: November 2, 1992 Granted

4. PETITION FOR REHEARING

a. Kenneth A. Ahrens
H-2 Firefighter - Fire Department
Industrial Disability Retirement/
Ordinary Retirement Disability Denied

b. Allen Giovannetti
Q-2 Police Officer - Police Department
Industrial Disability Retirement Denied

c. Thomas McGrath
0380 Inspector - Police Department
Industrial Disability Retirement/Stipulation
Effective Date: September 30, 1992 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

Randall R. Schell

ACTION: It was moved by Breall, seconded by Meiberger to approve the Consent Calendar; motion passed 6-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Breall to hear the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Marva Moore — $ 15,000.00
With waiver of credit rights

2. HEARING OFFICER DECISION

Sam Wong
Q-2 Police Officer - Police Department
Industrial Disability Retirement — Denied

3. PETITION FOR REHEARING

Greta Soriano
1424 Clerk Typist - Juvenile Hall
Ordinary Retirement Disability — Denied

4. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF AUGUST 31, 1993

ACTION: 1. It was moved by Gibson, seconded by Breall to approve the Supplemental Calendar item nos. 1-3; motion passed 6-0.

2. It was moved by Meiberger, seconded by Ashe to approve item no. 4; motion passed 5-1 (Hiatt).

INVESTMENT CALENDAR
(Continuation)

3. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE FOR THE PERIOD ENDED JUNE 30, 1993

Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REAL ESTATE MANAGER PRESENTATION: JMB INSTITUTIONAL REALTY CORPORATION

Bill Ramseyer and Darla Flanagan of JMB Institutional Realty Corporation presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. DISCUSSION AND PREPARATION OF REAL ESTATE SEARCH PRESENTATIONS

Terry Ahern of the Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Kenneth Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of August, 1993

This was an information item only; no action was taken.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy distributed and discussed the list of educational opportunities.

2. The Mayor's Office will sponsor a workshop on the Sunshine Act in late October.

3. Staff has recently met with Noetics to review performance.

4. The Board of Supervisors' Budget Analyst is continuing to work on the management audit of workers' compensation and retirement.

ACTUARY'S REPORT

Kieran Murphy, Actuary, presented the following items with the Board:

1. A contractor has been selected to perform an independent audit of actuarial calculations. A report on the audit is expected to be presented to the Board in the next month.

2. An article was distributed regarding actuarial assumptions.

3. A benefit survey of California Public Pension Plans was distributed.

4. Staff has met with Employee Relations to discuss the transfer of additional service of probation officers to PERS.

CITY ATTORNEY'S REPORT

No report was made.

BOARD MEMBERS

Commissioner Ashe discussed the potential impact of the recently enacted Sunshine Act.

President Driscoll requested that an Executive Session to discuss personnel issues be scheduled for the meeting of October 12, 1993.

There being no further business, the Board adjourned its regular meeting at 4:10 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

WEDNESDAY, SEPTEMBER 15, 1993

10:00 A.M.

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor

Clare M. Murphy — General Manager
Retirement System

RETIREMENT BOARD

SPECIAL MEETING

PUBLIC COMMENT

President Joseph D. Driscoll reviewed Public comment procedures for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. PROSPECTIVE REAL ESTATE MANAGER INTERVIEWS

Representatives from The RREEF Funds, Lasalle Advisors, Aldrich, Eastman and Waltch, Prudential Realty Group, Equitable Real Estate Investment Management, Inc., and AMB Institutional Realty Advisors, Inc. presented written and oral reports to the Board on this item.

The Board reviewed and discussed presentations by potential real estate managers and engaged in a question and answer session with the presenters, staff, and Terry Ahern of the Townsend Group.

There being no further business, the Board adjourned its regular meeting at 5:20 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, SEPTEMBER 28, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Constance M. Hiatt	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of September 14, 1993 and Special Meeting of September 15, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

[The Investment Calendar items were heard out of sequence.]

INVESTMENT CALENDAR

2. MENLO VENTURES PARTNERS VI, L.P. - RECOMMEND COMMITMENT TO NEW INVESTMENT

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger to accept staff's recommendation; motion passed 4-0 (Commissioner Gibson was not present at the time of the vote.)

3. MERIT ENERGY PARTNERS VI, L.P. - REQUEST FOR ADDITIONAL ALLOCATION TO EXISTING INVESTMENT

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Gibson to accept staff's recommendation for additional allocation to existing investment with Merit Energy Partners VI, L.P.; motion passed 5-0.

4. INDEX FUND MANAGEMENT REPORT

Kenneth L. Shaffer, Chief Investment Officer, and Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

1. FINAL SELECTION ON THE REAL ESTATE MANAGERS

Terry Ahern of the Townsend Group and Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to accept staff and consultant recommendation to direct staff and consultant to enter into negotiation with RREEF and AMB Institutional Realty Advisors, Inc. for the establishment of discretionary separate accounts; motion passed 5-0.

[NOTE: An additional real estate investment opportunity was discussed on the Supplemental Calendar.]

5. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes discussed.

b. Kenneth L. Shaffer, Chief Investment Officer, distributed an article on social investing and discussed the recent changes in the management of ARRAL Pacific.

This was an information item only; no action was taken.

REGULAR CALENDAR

1. HARTFORD DEFERRED COMPENSATION ANNUAL REPORT

Pat Kalasardo of Hartford presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. UNFINISHED BUSINESS LIST

Clare Murphy, General Manager, and Norman Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Commissioner Gibson requested the addition of consideration of issues related to soft dollars in directed brokerage.

This was an information item only; no action was taken.

3. REQUEST FOR AUTHORIZATION FOR HERB MEIBERGER, BOARD MEMBER TO ATTEND THE SCUDDER'S 1993 CLIENT CONFERENCE ON WORLD CLASS INVESTING TO BE HELD IN LAGUNA NIGUEL, CA ON NOVEMBER 3-6, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to accept the request for authorization for Herb Meiberger, Board Member, to attend the Scudder's 1993 Client Conference on World Class Investing to be held in Laguna Niguel, CA on November 3-6, 1993; motion passed 5-0.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 6-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Lawrence Lyttle	$ 20,000.00

3. HEARING OFFICER DECISION

a. Nancy Brewer
Q-2 Police Officer - Police Department
Determination
Effective Date: February 1, 1989 - March 1, 1989 Granted

b. Patrick Connolly
H-50 Assistant Chief - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: December 1, 1992 Granted

c. Thomas Hall
7514 Street Laborer - Public Works
Ordinary Retirement Disability/Vested
Effective Date: July 1, 1991 Granted

d. Rolando C. Menis
2736 Porter - Public Health/SFGH
Ordinary Retirement Disability
Effective Date: May 1, 1993 Granted

e. Milford I. Patsel
H-30 Captain - Fire Department
Industrial Disability Retirement/Stipulation
Effective Date: March 17, 1993 Granted

4. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Adolph Oliver

b. Loreen Raglin

c. Frederick C. Walsh

ACTION: 1. It was moved by Breall, seconded by Meiberger to recuse Commissioner Gibson on item no. 2 due to conflict of interest; motion passed 5-0.

2. It was moved by Gibson, seconded by Ashe to approve the Consent Calendar except for items no. 2 and 3d which are put over until the October 12, 1993 Board meeting; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Gibson, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Paul Attard	$ 1,000.00 Plus C&R
b.	Lisa Thomas	$ 440.94
c.	Carl D. Washington	$ 579.65

2. APPLICATION FOR BIRTHDATE CORRECTION

   Moses Lewis Dixon

3. REQUEST TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

   Vincent T. Cantillon

ACTION:

1. It was moved by Gibson, seconded by Ashe to amend the Supplemental Calendar to add discussion of a potential investment opportunity; motion passed 5-0.

2. It was moved by Ashe, seconded by Meiberger to direct consultant to enter into discussion with Kimco regarding a potential investment opportunity; motion passed 5-0.

3. It was moved by Breall, seconded by Meiberger to approve the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy recommended, and the Board agreed, to cancel the December 28, 1993 meeting.

2. The 1994-95 Budget preparation process will begin in the next few weeks.

3. The 1994 CALAPRS General Assembly has been scheduled for March 27-28.

4. Ms. Murphy reported on compensation limitations in the Budget Reconciliation Act of 1993.

5. The Mayor's Office has scheduled a special meeting to review the provisions of the recently enacted Sunshine Act.

ACTUARY'S REPORT

No report was made.

CITY ATTORNEY'S REPORT

No report was made.

BOARD MEMBERS

No report was made.

There being no further business, the Board adjourned its regular meeting at 4:40 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

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#3
10/12/93

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, OCTOBER 12, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of October 12, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

CLOSED SESSION

Pursuant to the *Ralph M. Brown Act*, Government Code Section 54956.9 et. seq., the Retirement Board met in closed session to discuss potential litigation issues.

In Executive Session, the Board accepted a proposed settlement in the matter of Lou Aronian and directed counsel to evaluate certain legal issues and, if appropriate, enter into settlement negotiations in another matter. The Board directed staff and City Attorney in two other matters.

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

[Selected items of the Regular and Investment Calendar were heard before the rest of the calendar items.]

REGULAR CALENDAR

3. REQUEST TO RETIRE UNDER THE "3 + 3" EARLY RETIREMENT PROGRAM - PETER A. ROOSAKOS

ACTION: In Executive Session, the Board discussed a proposed settlement in this matter and directed the City Attorney to evaluate certain legal issues. This matter was continued to the call of the President.

1. REVIEW AND APPROVAL OF HARTFORD DEFERRED COMPENSATION CONTRACT TERMS

Clare Murphy, General Manager, Norm Nickens, Executive Assistant, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Breall to approve the Hartford Deferred Compensation contract terms; motion passed 6-0.

2. REVIEW OF INDEPENDENT AUDIT OF ACTUARIAL CALCULATIONS

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. REQUEST TO REPURCHASE PART-TIME PRIOR SERVICE - LOU ARONIAN

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: No action was taken. This item was continued to the meeting of October 26, 1993.

5. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE - LAWRENCE LYTTLE

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Gibson was recused from participation in discussion of this item by a motion made at the September 28, 1993 meeting.

ACTION:

1. It was moved by Breall, seconded by Meiberger to deny the proposed settlement; motion passed 3-2 (Ashe, Driscoll).

2. It was moved by Breall, seconded by Meiberger that no additional monies for vocational rehabilitation are to be paid in this matter until directed by a court of proper jurisdiction; motion failed 1-4 (Ashe, Hiatt, Driscoll, Meiberger).

3. It was moved by Breall, seconded by Ashe to reconsider the original motion to deny the proposed settlement; motion passed 4-1 (Hiatt).

4. It was moved by Ashe, seconded by Driscoll to accept proposed settlement; motion failed 2-3 (Hiatt, Breall, Meiberger).

6. HEARING OFFICER DECISION - Rolando C. Menis

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to accept the Hearing Officer decision on Rolando C. Menis; motion passed 6-0.

7. RECORDING PROCEEDINGS OF SPECIAL MEETING ON OCTOBER 23, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

Commissioner Ashe requested the City Attorney to research the issue of pre-emption of the recently enacted Sunshine Ordinance by the Brown Act.

ACTION: It was moved by Breall, seconded by Meiberger to accept staff recommendation to suspend Board Rule requiring the recording by court reporter of the special meeting of October 23, 1993; motion passed 6-0.

8. REQUEST FOR AUTHORIZATION FOR KENNETH L. SHAFFER TO ATTEND THE PENSIONS 2000 CONFERENCE "SHOULD PENSION FUNDS BE USED TO FIX AMERICA?" TO BE HELD IN WASHINGTON, D.C. ON NOVEMBER 3-5, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Hiatt to approve the request for authorization for Kenneth L. Shaffer to attend the Pensions 2000 conference "Should Pension Funds Be Used To Fix America?" to be held in Washington, D.C. on November 3-5, 1993; motion passed 5-1 (Meiberger).

9. REQUEST FOR AUTHORIZATION FOR GARY HIATT TO CONDUCT AN ON-SITE DUE DILIGENCE WITH BATTERY VENTURES, MATRIX PARTNERS AND OTHER ALTERNATIVE INVESTMENT MANAGERS TO BE HELD IN BOSTON, MA WITH A DATE TO BE DETERMINED

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to approve the request for authorization for Gary Hiatt to conduct an on-site due diligence with Battery Ventures, Matrix Partners and other alternative investment managers to be held in Boston, MA with a date to be determined; motion passed 6-0.

10. REQUEST FOR AUTHORIZATION FOR CLARE MURPHY TO ATTEND THE ASSET MANAGEMENT FORUM TO BE HELD IN LOS ANGELES, CA ON NOVEMBER 15-16, 1993

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Ashe to approve the request for authorization for Clare Murphy to attend the Asset Management Forum to be held in Los Angeles, CA on November 15-16, 1993; motion passed 5-1 (Driscoll).

INVESTMENT CALENDAR

2. FUTURES AND OPTIONS PRESENTATION

Steve Hardy of Balch, Hardy, Scheinman & Winston, Mark Raaberg of Rosenberg Capital Management and Carl Wilberg of California Public Employees Retirement System presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

1. INTERNATIONAL EQUITY REVIEW

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Shareholder Proposal	For	Against
The Price Company		
Merger with Costco Wholesale Corporation	6	0

b. Ken Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of September, 1993.

c. An article on Investing in Emerging Countries was distributed.

d. Mr. Shaffer reported on the proposed timetable for real estate investments.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 7-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Cynthia Cannonier	$ 3,000.00
b.	Ida Harper	$ 23,000.00
c.	Janis Zarry	$ 20,760.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a. Patrick Nichols $ 839.27

b. Sandra Rolovich $ 1,713.53

4. HEARING OFFICER DECISION

a. James M. Ahern
H-10 Chief's Operator - Fire Department
Industrial Disability Retirement
Effective Date: September 25, 1993 Granted

b. Jerry E. Butler
(Sue Ellen Lunbeck - Widow)
H-20 Lieutenant - Fire Department
Death in the Line of Duty
Effective Date: August 17, 1993 Granted

c. Alan McPheters
Q-2 Police Officer - Police Department
Determination Denied

d. Joyce Robinson
1630 Accounting Clerk - Public Utilities Commission/Water Dept.
Ordinary Retirement Disability
Effective Date: February 1, 1993 Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Francisco M. Alvarez

b. Maureen Okobi

c. Maria Corazon Pangilinan

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEMS ON THE RETIREMENT BOARD MEETING OF SEPTEMBER 28, 1993

ACTION: 1. It was moved by Breall, seconded by Gibson to approve the Consent Calendar except for item no. 6; motion passed 6-0.

2. It was moved by Driscoll, seconded by Ashe to delete Unfinished Business List from item no. 6; motion passed 5-1 (Hiatt).

3. It was moved by Meiberger, seconded by Breall to approve item no. 6 as amended; motion passed 5-1 (Hiatt).

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Meiberger to hear the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Rogelio Mercado $ 20,000 (max)

ACTION: It was moved by Breall, seconded by Gibson to approve the Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Clare Murphy, General Manager, presented the following items with the Board:

1. Ms. Murphy distributed an updated list of educational opportunities.

2. The City has successfully completed the move of the mainframe computer.

3. The 1114 Retirement Services Administrator exam list has been posted by the Civil Service Commission; interviews will be held in early November.

4. Ms. Murphy will be out of the country on vacation from October 20 through November 1, 1993.

5. Informational materials related to Proposition G (Internal Reciprocity) have been developed and are being distributed.

6. The Annual Fiscal Audit has been completed.

7. The first quarterly audit of the Workers' Compensation Third Party Administration Program will begin next week.

8. Two clerical employees have been laid off in the Workers' Compensation Division as a result of previous budget reductions.

ACTUARY'S REPORT

Kieran Murphy, Actuary, presented an update regarding the June 30, 1993 valuation and asset allocation assumptions. Mr. Murphy reported that an agreement has been reached with the Probation Officers Association.

CITY ATTORNEY'S REPORT

No report was made.

BOARD MEMBERS

Commissioner Driscoll expressed his appreciation for the efforts of staff in developing the Proposition G informational materials.

There being no further business, the Board adjourned its regular meeting at 5:20 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

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10-23-93

CALENDAR

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

SATURDAY, OCTOBER 23, 1993

10:00 A.M.

Joseph D. Driscoll	President
Bonnie K. Gibson	Vice President
Peter D. Ashe	Commissioner
William Breall, M.D.	Commissioner
Constance M. Hiatt	Commissioner
Herb Meiberger	Commissioner
Angela Alioto	Supervisor

Clare M. Murphy — General Manager
Retirement System

NOTE: **CHANGE OF VENUE:** **BOARD OF SUPERVISORS CHAMBERS**
CITY HALL

DISABILITY ACCESS

The Legislative Chamber of the Board of Supervisors is on the second floor of City Hall.

The Chamber is wheelchair accessible. The closest accessible BART Station is Civic Center, 2 1/2 blocks from City Hall. Accessible MUNI line serving this location is the #42 Downtown Loop as well as the METRO stations at Van Ness and Market and at Civic Center. For more information about MUNI accessible services, call 923-6142.

There is accessible parking in the vicinity of City Hall adjacent to Davies Hall and the War Memorial Complex.

Assistive listening devices are available for use in the Board Chamber. Upon leaving identification, a device can be borrowed prior to or during the meeting from staff in Room 235.

The following services are available on request 72 hours prior to the meeting or hearing:

> For American sign language interpreters or the use of a reader during a meeting, contact Violeta Mosuela at (415) 554-7704.
> For a large print copy of an agenda, contact Moe Vazquez at (415) 554-4909.
> For minutes of a meeting in alternative formats, contact Marie McKechnie at (415) 554-7722.

Individuals with severe allergies, environmental illness, multiple chemical sensitivity or related disabilities should call the accessibility hotline at (415) 554-8925 to discuss meeting accessibility. In order to assist the City's efforts to accommodate such people, attendees at public meetings are reminded that other attendees may be sensitive to various chemical based products. Please help the City to accommodate these individuals.

For additional information, contact Norm Nickens, Executive Assistant, at 554-1520.

RETIREMENT BOARD

SPECIAL MEETING

1. REVIEW OF CONFLICT OF INTEREST LAWS

2. REVIEW OF THE SAN FRANCISCO SUNSHINE ORDINANCE AND RELATED LAWS

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MINUTES

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, OCTOBER 26, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
Absent:	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of October 12, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

Vice President Gibson reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. UNFINISHED BUSINESS LIST

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[President Driscoll and Commissioner Breall arrived at 12:45 p.m.]

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE - LAWRENCE LYTTLE

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Hiatt, seconded by Ashe to accept the proposed compromise and release for Lawrence Lyttle; motion passed 5-0 (Commissioner Gibson was recused from participation by a motion at a previous meeting.)

3. REQUEST TO REPURCHASE PART-TIME PRIOR SERVICE - LOU ARONIAN

Dan Maguire, Deputy City Attorney, presented an oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to rescind prior Board action of February 25, 1992 and to deny request to purchase part-time prior service; motion passed 6-0.

INVESTMENT CALENDAR

1. BROKERAGE REPORT REVIEW

Kenneth L. Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. DISCUSSION OF CONVERTIBLE BONDS AND CONSIDERATION OF SOLICITING RFP'S TO SEARCH FOR A CONVERTIBLE MANAGER

Commissioner Herb Meiberger presented a written and oral report to the Board on this item. Kenneth L. Shaffer, Chief Investment Officer, and Jack Montgomery, Portfolio Manager, responded to Board questions.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to direct staff to continue to study this matter and to report back to the Board by March 30, 1994; motion passed 6-0.

3. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

Shareholder Proposal	For	Against
1. **PSI Resources**		
Merger with Cincinnati Gas & Electric	6	0

2. **AMAX Inc**

Merger with Cyprus Minerals Co. 6 0

b. Kenneth L. Shaffer, Chief Investment Officer, reported on a recent sale of real property by Metric and provided an update on alternative investments.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 8-93

2. HEARING OFFICER DECISION

a. Freddy Alvarado
9131 Station Agent - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: July 31, 1993 Granted

b. Brian Barberia
H-2 Firefighter - Fire Department
Industrial Disability Retirement
Effective Date: December 15, 1993 Granted

c. John Raymond Volis
9210 Airport Police Officer - Airport Commission
PERS Granted

3. PETITION FOR REHEARING

Helen Menko
7387 Upholstery Craftsman - Purchasing Department
Ordinary Retirement Disability Denied

4. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEM ON THE RETIREMENT BOARD MEETING OF OCTOBER 12, 1993

ACTION: 1. It was moved by Ashe, seconded by Meiberger to recuse Commissioner Gibson from participation on item #2c due to possible conflict of interest; motion passed 6-0.

2. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item nos. 1, 2a, 2b and 3; motion passed 6-0.

3. It was moved by Breall, seconded by Ashe to approve the Consent Calendar item no. 2c; motion passed 5-0 (Gibson recused).

4. It was moved by Meiberger, seconded by Ashe to approve the Consent Calendar item no. 4; motion failed 3-3 (Driscoll, Gibson, Hiatt).

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Breall, seconded by Ashe to hear the Supplemental Calendar; motion passed 6-0.

1. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

	Richard H. Kain	$ 10,000.00

2. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	James Blanson	$ 5,000.00
b.	Uriel Jimenez	$ 11,000.00
c.	Allen Lee	$ 7,500.00 & waiver of credit rights
d.	Henrietta Mack	$ 7,468.36
e.	J.C. Rodgers	$ 4,879.68
f.	Kevin D. Tull	$ 6,750.00

3. HEARING OFFICER DECISION

John Robinson
Teacher - Community College
Reinstatement
Effective Date: October 11, 1993 Granted

ACTION: It was moved by Breall, seconded by Meiberger to approve the Supplemental Calendar; motion passed 6-0.

GENERAL MANAGER'S REPORT

Norman Nickens, Acting General Manager, reported on a recent presentation regarding the Sunshine Ordinance and that the Board of Supervisors is considering legislation to repeal the South Africa Purchasing Ordinance.

ACTUARY'S REPORT

No report was made.

CITY ATTORNEY'S REPORT

No report was made.

BOARD MEMBERS

None.

There being no further business, the Board adjourned its regular meeting in memory of Donald Kalasardo at 3:20 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

1. PETITION FOR REHEARING - MARK W. HUNTLEY

ACTION:

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

Diane Creeks	$ 6,000.00

ACTION:

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Cindy Shamban	$ 473.07

ACTION:

4. DECISION OF HEARING OFFICER

Marlin Arceneaux 2740 Porter Supervisor - Public Health/Laguna Honda Hospital Ordinary Retirement Disability	Denied

ACTION:

1. It was moved by Breall, seconded by Ashe to approve the Supplemental Calendar item nos. 2 through 4; motion passed 6-0.

2. It was moved by Breall, seconded by Ashe to approve staff recommendation on item no. 1; motion ruled out of order by the Chair for failure to comply with Government Code Section 54954.2(b)(2).

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. Ms. Murphy reported that retired members are actively participating in the current Combined Charities Campaign 1993.

2. Implementation has begun of the Proposition "G", Internal Reciprocity Program.

3. A Holiday Party has been scheduled for the Board and staff on December 10, 1993 at Don Ramon's.

4. The first quarterly audit of Noetics has been completed.

5. The Workers' Compensation senior staff is being trained on the provisions of the new Workers' Compensation Reform Statute.

6. The Mayor's budget instructions for fiscal year 1994-95 have been received.

ACTUARY'S REPORT

Kieran Murphy, Actuary, provided update on forthcoming actuarial valuation and discussed the potential impact of furloughs on retirement benefits.

CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, discussed the California Torts Claims Act and pension benefits.

BOARD MEMBERS

Commissioner Meiberger reported on the Scudder's 1993 Client Conference on World Class Investing which was held on November 3 through 6, 1993 in Laguna Niguel, California.

There being no further business, the Board adjourned its regular meeting at 5:55 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

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TUESDAY, NOVEMBER 9, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of October 26, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. ELECTION RESULTS REPORT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. FISCAL YEAR 1992-93 ACTUARIAL EXPERIENCE ANALYSIS

Kieran Murphy, Actuary, Catherine Cole and Valerie Stevens, Consulting Actuaries from Towers Perrin, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Gibson to accept the actuarial experience analysis; motion passed 7-0.

[Commissioner Gibson and Supervisor Alioto arrived during the discussion of this item.]

3. PETITION FOR REHEARING - BARRI BOONE

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Ashe, to approve the petition for rehearing of Barri Boone; motion passed 7-0.

4. PETITION FOR REHEARING - RICHARD WASSERMAN

Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Hiatt to accept the petition for rehearing for Richard Wasserman; motion passed 7-0.

5. ANNUAL PLANNING SESSION

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Meiberger to direct staff to prepare an Annual Planning Session in late January with an experienced facilitator and a reasonable agenda at an appropriate setting; motion passed 7-0.

INVESTMENT CALENDAR

1. REPORT ON THE TOTAL PORTFOLIO PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1993

Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. REVIEW OF THE DOMESTIC FIXED INCOME PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1993

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW OF THE DOMESTIC EQUITY PERFORMANCE FOR THE PERIOD ENDED SEPTEMBER 30, 1993

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. STAFF RECOMMENDATION ON ASSET ALLOCATION FOR THE QUARTER ENDING JANUARY 31, 1994

Mark Coleman, Security Analyst, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to approve staff recommendation; motion passed 7-0.

5. INTERNATIONAL EQUITY REVIEW

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Supervisor Alioto left at 4:00 p.m.]

6. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth L. Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of October, 1993.

c. Mr. Shaffer reported on the following three items:

Alternative Investments - The following developments occurred.

- TCW Special Credits GP is proposing amendment to increase real estate related debt component.
- Frontenac due diligence is continuing with expected recommendation by November 30, 1993.
- Menlo Ventures partnership has closed.
- TCW Energy documentation review in progress.
- Staff is reviewing Frontenac documents prior to commitment.
- Merit Energy expanded commitment documentation in progress.

Real Estate -

- Metric has requested re-allocation of proceeds of liquidated building (Caliber Chase)

- RREEF did not purchase building 13 of Willows business park; however, requests continued allocation of $800,000. Townsend and staff are reviewing the issue.

Reported on a conference on Economically Targeted Investments.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 9-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

   a. Robin Bush-Seeco $ 24,479.00

   b. Ronald L. Johnson $ 5,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   Willie Washington $ 1,530.39

4. HEARING OFFICER DECISION

   a. Domingo A. Basila
   1656 Head Accountant - Public Works
   Ordinary Retirement Disability
   Effective Date: September 1, 1993 Granted

   b. Joseph Grech
   5310 Surveyor Field Assistant - Public Works
   Ordinary Retirement Disability
   Effective Date: July 1, 1993 Granted

   c. Eugene J. Haudbine
   Q-60 Lieutenant - Police Department
   Industrial Disability Retirement/Stipulation
   Effective Date: August 1, 1992 Granted

d. Mayuri Kansupda
8108 Sr. Legal Processing Clerk - Recorder Department
Ordinary Retirement Disability
Effective Date: June 23, 1993 — Granted

e. Joseph F. McCarthy
H-40 Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation — Denied

f. Ben Ross
7514 General Laborer - Public Utilities Commission/Water
Ordinary Retirement Disability/Stipulation
Effective Date: December 1, 1992 — Granted

5. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Richard A. Grove

b. Amparo Marlowe

c. Raoul A. Ponce

6. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEM ON THE RETIREMENT BOARD MEETING OF OCTOBER 26, 1993

ACTION: 1. It was moved by Breall, seconded by Meiberger to approve the Consent Calendar item nos. 1 through 5; motion passed 6-0.

2. It was moved by Meiberger, seconded by Breall to approve the Consent Calendar item no. 6; motion failed 3-3 (Driscoll, Gibson, Hiatt).

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Breall to hear the Supplemental Calendar; motion passed 6-0.

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RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, NOVEMBER 30, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	William Breall, M.D.	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of November 9, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. UNFINISHED BUSINESS LIST

   Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

   This was an information item only; no action was taken.

2. ANNUAL REPORT

   Clare Murphy, General Manager, and Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff. Certain corrections and adjustments were directed.

   ACTION: It was moved by Gibson, seconded by Meiberger to approve the annual report; motion passed 6-0.

3. PROPOSED RESOLUTION FOR IMPLEMENTATION OF PROPOSITION G

   Maria Newport, Administrator, Retirement Services, presented a written and oral report to the Board on this item.

   The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall, to approve the proposed resolution for implementation of Proposition G; motion passed 6-0.

4. ANNUAL PLANNING SESSION REPORT

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. A further update on this matter will be presented at the Retirement Board meeting of December 14, 1993.

This was an information item only; no action was taken.

5. COORDINATION OF CLAIMS ADMINISTRATION AND LEGAL SERVICES

Brian Narlock, Division Manager, Workers' Compensation Division, and Dan Maguire, Deputy City Attorney, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Supervisor Alioto arrived during the discussion of this item.]

6. DESTRUCTION OF RECORDS REQUEST

Maria Newport, Administrator, Retirement Services, presented written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Hiatt, to accept the Department of Social Services' destruction of records request; motion passed 7-0.

7. PRELIMINARY REVIEW OF JUNE 30, 1993 VALUATION

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff. Ed Harrington, Controller, Lee Munson, Mayor's Fiscal Advisory

Committee and Robert Scrimgeour of the Retired Employees of the City and County of San Francisco addressed the Board on this matter.

This was an information item only; no action was taken.

8. REQUEST FOR DISMISSAL OF ALLOWANCE - DEATH AS A RESULT OF DUTY - MITCHELL L. MIGNOLA (JOSEPH MIGNOLA, III - DECEASED)

Norm Nickens, Executive Assistant, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Breall, seconded by Meiberger, to accept the request for dismissal of allowance - death as a result of duty - Mitchell L. Mignola; motion passed 7-0.

9. REQUEST FOR AUTHORIZATION FOR BOARD MEMBER TO ATTEND THE REAL ESTATE AND ECONOMICS SYMPOSIUM '93 TO BE HELD ON DECEMBER 7, 1993 IN SAN FRANCISCO, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Breall to approve the request for authorization for Board member to attend the Real Estate and Economics Symposium '93 to be held on December 7, 1993 in San Francisco, CA; motion passed 7-0.

10. REQUEST FOR AUTHORIZATION FOR STAFF TO ATTEND THE COMMERCIAL MORTGAGE-BACKED SECURITIES MARKET SEMINAR TO BE HELD ON DECEMBER 7, 1993 IN LOS ANGELES, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Ashe to approve the request for authorization for staff to attend the Commercial Mortgage-Backed Securities Market Seminar to be held on December 7, 1993 in Los Angeles, CA; motion passed 6-0. (Supervisor Alioto was not present for the vote.)

INVESTMENT CALENDAR

1. ALTERNATIVE INVESTMENT RECOMMENDATION - FRONTENAC VI L.P.

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates, presented a written and oral report to the Board on this item and recommended a commitment of $15 million to Frontenac VI L.P.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

No action was taken.

[Supervisor Alioto left at 4:15 p.m.]

2. ALTERNATIVE INVESTMENT SEMI-ANNUAL REPORT

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REPORT ON MANAGEMENT TRANSITION FOR ARRAL PACIFIC

Gary Hiatt, Portfolio Manager, and Alicia Cooney of Lewis, Bailey Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

4. CALLAN ASSOCIATES PRESENTATION ON INVESTMENT PERFORMANCE

Barry Dennis of Callan Associates, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. EXTERNAL MANAGER PRESENTATIONS: OECHSLE INTERNATIONAL ADVISORS, MCCULLOUGH, ANDREWS & CAPPIELLO AND SCUDDER, STEVENS & CLARK

Representatives from the above-mentioned firm presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

[Commissioner Gibson left at 6:30 p.m.]

6. REPORT ON PERFORMANCE REPORTING FOR EXCEPTIONAL QUARTERS

Ken Shaffer, Chief Investment Officer, and Herb Meiberger, Security Analyst, presented a written to the Board on this item.

This was an information item only; no action was taken. Further consideration of this matter will occur at a future meeting.

7. HISTORICALLY DISADVANTAGED BUSINESSES REPORT

Norm Nickens, Executive Assistant, presented a written to the Board on this item.

This was an information item only; no action was taken. Further consideration of this matter will occur at a future meeting.

8. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 10-93

2. REQUEST TO PURCHASE PART-TIME PRIOR SERVICE - JOHN J. GRIMES

3. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Jorge Cordero Valdez	$20,000.00
b.	Erich Von Neff	$ 3,000.00

4. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Kanitra A. Edwards	$ 4,191.53
b.	Willie Humphrey	$ 44,807.04 With waiver of credit rights
c.	Oree McRae	$ 1,285.35
d.	Dennis Zouzounis	$ 39,008.35

5. HEARING OFFICER DECISION

a. Richard B. Bruckman
7344 Carpenter - Public Utilities Commission
Ordinary Retirement Disability
Effective Date: October 25, 1993 — Granted

b. Louis J. Comaduran
H-40 Battalion Chief - Fire Department
Industrial Disability Retirement/Stipulation — Denied

c. Michael J. Conway
8306 Deputy Sheriff - Sheriff's Department
PERS
Effective Date: August 23, 1993 Granted

d. Louise Griffith
2302 Orderly - Public Health/SFGH
Ordinary Retirement Disability
Effective Date: March 1, 1992 Granted

e. James C. Pearson
Q-2 Police Officer - Police Department
Industrial Disability Retirement Denied

f. Johnnie Robinson
8310 Lieutenant - Sheriff's Department
PERS Denied

g. Clady M. Wright
9163 Transit Operator - Public Utilities Commission/MUNI
Ordinary Retirement Disability
Effective Date: June 1, 1993 Granted

6. PETITION FOR REHEARING

Barri Boone
9131 Station Agent - Public Utilities Commission/MUNI
Ordinary Retirement Disability Denied

7. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

a. Randall J. Camacho

b. Carl L. Shorter

c. Joyce A. Watkins

d. M. Wayne Williams

ACTION: It was moved by Breall, seconded by Ashe to approve the Consent Calendar; motion passed 5-0.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Ashe, seconded by Breall to hear the Supplemental Calendar; motion passed 5-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

   Clarence Blanchard $ 400.00

2. PETITION FOR REHEARING

   Sam Wong
   Q-2 Police Officer - Police Department
   Industrial Disability Retirement **Denied**

3. REQUESTS TO WITHDRAW FUNDS FROM DEFERRED COMPENSATION PLAN

   a. Ikechukwu Ibeanusi

   b. Miguel Ortega

ACTION: It was moved by Breall, seconded by Meiberger to approve the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. An educational opportunities list and a forward calendar were distributed.

2. The City Attorney's opinion on Proposition 162 was distributed and discussed.

3. Discussion and action on a participant fee structure for the Deferred Compensation Program has been continued to March, 1994.

4. The General Manager has met with representatives from Civil Service to discuss the impact of Proposition "L" (Human Resources Department).

5. Staff has completed the audit of the Third Party Administrator.

ACTUARY'S REPORT

Kieran Murphy, Actuary, discussed the impact of involuntary furloughs on retirement benefits.

CITY ATTORNEY'S REPORT

No report was made.

BOARD MEMBERS

Commissioner Ashe discussed the schedule for the completion of the Performance Appraisal process and proposed changes to the Charter of State Association of County Retirement Systems (SACRS).

There being no further business, the Board adjourned its regular meeting at 8:15 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

MEMORANDUM

December 1, 1993

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To: The Retirement Board

From: Clare M. Murphy
General Manager

Subject: **PROSPECTIVE RETIREMENT BOARD MEETING SCHEDULE AND TOPICS**

DATE	TIME	TENTATIVE TOPICS
12/14/93	12:00 noon	**Regular Meeting** Consideration of Futures and Options Statute of Limitations Report Actuarial Valuation Setting of FY 94-95 Contribution Rates Finalize Commitments to RREEF and AMB Real Estate Manager Presentation Quarterly Report on Real Estate Performance Quarterly Report on International Investments
12/21/93	12:00 noon	**Regular Meeting** Actuarial Valuation Report Recommendation of City Contribution Rates for Fiscal Year 1994-95 Reconsideration of City Contribution Rates for Fiscal Year 1993-94
12/28/93	12:00 noon	**CANCELLED**
01/11/94	12:00 noon	**Regular Meeting** Retirement System Budget for FY 94-95 International Equity Review Continuation
01/25/94	12:00 noon	**Regular Meeting** Unfinished Business List Multi-Company Proxy Issues Report/Social Policy Issues Alternative Investment Presentation Report on Soft Dollars and Related Issues

DATE	TIME	TENTATIVE TOPICS
02/08/94	12:00 noon	**Regular Meeting** Total Portfolio Performance Quarterly Reports on Domestic Investments Quarterly Report on Asset Allocation
02/22/94	12:00 noon	**Regular Meeting** Unfinished Business List Review of the Statement of Economic Interest Callan Associates Presentation External Manager Presentation Multi-Company Proxy Issue Report/Corporate Governance
03/08/94	12:00 noon	**Regular Meeting** Election of Officers Quarterly Report on International Investments
03/29/94	12:00 noon	**Regular Meeting** Unfinished Business List Cost of Living Allowance for Retirees Real Estate Manager Presentation Quarterly Report on Real Estate Performance Alternative Asset Presentation

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MINUTES

RETIREMENT BOARD
CITY AND COUNTY OF SAN FRANCISCO
1155 Market Street, Second Floor, San Francisco

TUESDAY, DECEMBER 14, 1993

12:00 NOON

Present:	Joseph D. Driscoll	President
	Bonnie K. Gibson	Vice President
	Peter D. Ashe	Commissioner
	Constance M. Hiatt	Commissioner
	Herb Meiberger	Commissioner
	Angela Alioto	Supervisor
Absent:	William Breall, M.D.	Commissioner
	Clare M. Murphy	General Manager Retirement System

MINUTES: Minutes of the Regular Meeting of November 30, 1993.

ACTION: Approved as Submitted.

RETIREMENT BOARD

REGULAR MEETING

PUBLIC COMMENT

President Driscoll reviewed the Public Comment procedure for the attendees. No comments were made at this time.

REGULAR CALENDAR

1. ACTUARIAL VALUATION

Kieran Murphy, Actuary, and Catherine Cole and Valerie Stevens, Consulting Actuaries from Towers Perrin presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Ashe to adopt the preliminary actuarial valuation report; motion passed 6-0.

2. RECOMMENDATION OF CITY CONTRIBUTION RATES FOR FISCAL YEAR 1994-95

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Gibson, seconded by Alioto to adopt staff's recommendation; motion passed 6-0 (Attached is a letter from Dr. Breall regarding the setting of actuarial assumptions).

3. RECONSIDERATION OF CITY CONTRIBUTION RATES FOR FISCAL YEAR 1993-94

Kieran Murphy, Actuary, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer

ACTION: 1. It was moved by Ashe, seconded by Alioto, to adopt staff recommendation; motion passed 6-0.

2. It was moved by Ashe, seconded by Gibson, that the revised 1993-94 contribution rates shall be effective as of the first pay period commencing on or after January 1, 1994; motion passed 5-0.

[Supervisor Alioto left the meeting at this time.]

4. ANNUAL PLANNING SESSION UPDATE

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Ashe, seconded by Meiberger to authorize staff to begin negotiations with Snider and Associates for services on a date to be determined in February; services to include interviews with interested Board members and identified staff; motion passed 5-0.

5. REQUEST FOR AUTHORIZATION FOR BOARD MEMBER TO ATTEND RREEF ANNUAL SEPARATE ACCOUNT EDUCATIONAL SEMINAR TO BE HELD ON JANUARY 20-22, 1994 IN LA QUINTA, CA

Clare Murphy, General Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Meiberger, seconded by Gibson to approve the request for authorization for Peter Ashe, Board member to attend RREEF Annual Separate Account Educational Seminar to be held on January 20-22, 1994 in La Quinta, CA; motion passed 5-0.

INVESTMENT CALENDAR

1. REAL ESTATE MANAGER PRESENTATION: CB COMMERCIAL REAL ESTATE GROUP, INC.

Laurie Romanak from CB Commercial Real Estate Group Inc. presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

2. QUARTERLY REPORT ON REAL ESTATE PERFORMANCE

Kevin Lynch and Frank Blaschka of The Townsend Group presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

3. REVIEW AND APPROVAL OF ANNUAL MANAGER INVESTMENT PLANS FOR AMB INSTITUTIONAL REALTY ADVISORS, INC. AND RREEF AMERICA PARTNERS

Kevin Lynch and Frank Blaschka of The Townsend Group and Gary Hiatt, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Hiatt, seconded by Ashe to accept the investment plan as modified, with fees to be negotiated by January 11, 1994 and with staff to be authorized to draw down funds sufficient for potential investment; motion passed 5-0.

4. QUARTERLY REPORT ON INTERNATIONAL FIXED INCOME MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1993

Jack Montgomery, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

5. QUARTERLY REPORT ON INTERNATIONAL EQUITY MANAGERS FOR THE PERIOD ENDED SEPTEMBER 30, 1993

Carolyn Hamilton, Portfolio Manager, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

This was an information item only; no action was taken.

6. CONSIDERATION OF FUTURES AND OPTIONS

Kenneth Shaffer, Chief Investment Officer, presented a written and oral report to the Board on this item.

The Board reviewed and discussed the material and engaged in a question and answer session with staff.

ACTION: It was moved by Driscoll, seconded by Ashe to adopt staff recommendation as amended; motion passed 5-0.

7. CHIEF INVESTMENT OFFICER'S REPORT

a. Proxy Votes

There were no proxy votes.

b. Kenneth L. Shaffer, Chief Investment Officer, distributed a list of meetings conducted by members of the investment staff during the month of November, 1993, and discussed the purchase of Morris Air by Southwest Airlines.

This was an information item only; no action was taken.

CONSENT CALENDAR

The following items were presented:

1. VOLUNTARY RETIREMENT BOARD LIST NO. 11-93

2. SETTLEMENT OF DISPUTED CLAIM - COMPROMISE AND RELEASE

a.	Kenneth Ahrens	$ 1,500.00
b.	Ernest East	$ 14,500.00
c.	Babe Fluker	$ 75,000.00
d.	Richard O'Brien	$ 15,000.00

3. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

a.	Edgar Callejas	$ 485.51
b.	Kerrigan Dangerfield	$ 22,000.00
c.	Edward Ellestad	$ 588.70
d.	Gordon Lew	$ 3,019.06
e.	Dean Sorgie	$ 2,189.48
f.	Stanley Williams	$ 2,000.00

4. HEARING OFFICER DECISION

a. Michael R. O'Brien
(Susan M. O'Brien - Widow)
Q-2 Police Officer - Police Department
Allowance - Death as a Result of Duty — Denied

b. Michael J. Williams
8180 Principal Attorney - District Attorney
Ordinary Retirement Disability — Denied

5. REQUEST FOR AUTHORIZATION TO ORDER TRANSCRIPTS OF SELECTED ITEM ON THE RETIREMENT BOARD MEETING OF NOVEMBER 30, 1993

ACTION: 1. It was moved by Gibson, seconded by Hiatt to approve the Consent Calendar item nos. 1-4; motion passed 5-0.

2. There was no action for item no. 5.

SUPPLEMENTAL CALENDAR

Section 54954.2(b)(2) of the Government Code (Brown Act) states a Board may take action on items not appearing on the posted agenda: (2) Upon determination by two-thirds vote of the legislative body, or, if less than two-thirds of the members present, a unanimous vote of those members present, that the need to take action arose subsequent to the agenda being posted as specified in Subdivision (a).

ACTION: It was moved by Meiberger, seconded by Gibson to hear the Supplemental Calendar; motion passed 5-0.

1. SETTLEMENT OF DISPUTED CLAIM - THIRD PARTY CLAIM

Kathleen Hallinan $ 1,309.83

ACTION: It was moved by Ashe, seconded by Gibson to approve the Supplemental Calendar; motion passed 5-0.

GENERAL MANAGER'S REPORT

Clare M. Murphy, General Manager, reported to the Board on the following items:

1. A report on statutes of limitations will be presented at the January 11, 1994 Board meeting.

2. The General Manager and Board President will be meeting with representatives from the Department of Human Resources to discuss the implementation of Proposition "L."

3. The First Quarter Audit Results have been presented to Noetics.

4. The office was burglarized and vandalized on December 11, 1993.

ACTUARY'S REPORT

No report was made.

CITY ATTORNEY'S REPORT

Dan Maguire, Deputy City Attorney, distributed a summary of the Sunshine Act.

BOARD MEMBERS

No report was made.

There being no further business, the Board adjourned its regular meeting at 7.20 p.m.

Respectfully submitted,

Clare M. Murphy
General Manager

Note: A transcript was made of the regular meeting by Jewel Michelson, Adams Reporting Services.

WILLIAM S. BREALL, M.D.
MICHAEL D. FINEGOLD, M.D.
IRWIN WEINREB, M.D.
ALBERT P. LEE, M.D.
RODOLFO C. SOTO, M.D.
ARTHUR S. CHIN, M.D.
JOHN B. O'BRIEN, M.D.

1150 BUSH STREET, SUITE 4A
SAN FRANCISCO, CALIFORNIA 94109-5995
(415) 775-2277

CARDIOLOGY

December 9, 1993

Ms. Claire Murphy
c/o San Francisco City and County
Retirement Board
1155 Market Street, Second Floor
San Francisco, California

Dear Claire:

This letter will set forth some of my thoughts regarding the actuarial assumption levels and restructuring of the unfunded liability that will be discussed at the Board Meeting on December 14, 1993.

First of all, I am leaning very strongly towards voting for approval of restructuring the unfunded liability. I believe the preliminary information given to us by Kiernan Murphy was sufficient to allow me to form an opinion favorable to voting on behalf of restructuring the unfunded liability.

I am less certain about changes in the assumption levels. My certainty would be firmed up after getting more information from Kiernan. I am leaning in favor of, however, in a reduction in the salary scale by 25 basis points. I would like upon this most favorably if Kiernan can come up with figures that would indicate this to be reasonable.

I am less inclined to look favorably upon a consideration of the reduction of interest earnings by 25 basis points.

In summary, therefore, I am leaning very heavily towards a restructuring of the unfunded liability. I am holding in abeyance my opinions regarding changes in the assumption levels, however, until I have gotten more information from Kiernan Murphy. I have told you what my preliminary leanings are, however.

If any or all of these items are passed with a substantial majority on December 14, 1993, then as far as I am concerned, it is all right to pass them and to cancel the special meeting of December 21, 1993. If I am going to be a swing vote, however, on any or all of these items, then we

should have the meeting on December 21, 1993. With a substantial majority, however, do not hold things up just for me.

Sincerely,

William S. Breall, M.D.

WSB:kc

City and County of San Francisco

San Francisco City and County
Employees' Retirement System
Office of The General Manager

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MEMORANDUM

December 15, 1993

To: Interested Parties

From: Clare M. Murphy
General Manager

Subject: **CANCELLATION OF DECEMBER 21, 1993 BOARD MEETING**

As a result of accomplishing the tasks for the above-mentioned meeting, the Board has cancelled the scheduled meeting.

(415) 554-1520 1155 Market Street San Francisco 94103